WORKING CAPITAL FUND
U.S. DEPARTMENT OF ENERGY

FISCAL YEAR 2008: ANNUAL REPORT

Office of Chief Financial Officer

November 2008

DEPARTMENT OF ENERGY • UNITED STATES OF AMERICA •

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Message from the Fund Manager

It is our pleasure to provide the FY 2008 annual report on the Working Capital Fund. This year represented the completion of 12 years of WCF operations, and the successful results reflect the ongoing persistence of its service providers and their dedication to continuous improvement. The following section will discuss many of these efforts as well as the partnership between the Board, the Fund Manager, and the Business Line employees. Fund businesses continue to demonstrate the ability to offer DOE mission programs flexible services that satisfy their changing needs and control costs.

Financial Summary

The operating statement and the balance sheet of the Fund reflect continued health of the Fund and its component businesses. While the Department's records show FY 2008 business line costs slightly in excess of earnings, cumulative business line expenses since FY 2007 are 99% of earnings, well within the defined criteria for operating a revolving account under a break-even policy objective. The Board, the Fund Manager, and the business line officials have built a partnership that yielded a balance sheet capable of sustaining current operations while making the highest priority capital investments.

In this report, we discuss the FY 2008 results in terms of the measures that the Board has directed since 1999, and we also discuss the balance sheet of the Fund, the twelve-year history of earnings and costs, and results for each business. Costs and earnings have remained in balance, customers are paying their charges on schedule, the accounting system has improved our tools for managing balances, and business line managers have been prudent in their use of customer funds.

FY 2008 Operations: During FY 2008 the CIO initiated the change over to a digital Headquarters phone system, improved network capabilities, and eventually convergence of technologies. These improvements will replace obsolete equipment, improve security, and enhance our abilities during emergencies. The Fund Manager provided six million dollars for the phone upgrade and three million dollars for the network upgrade from retained earnings. These funds were available through farsighted Board decisions that recognized the need to replace obsolete equipment and systems. We believe that the capital replacement schedules included in the current pricing policies will allow similar upgrades when needed in the future.

The Fund also phased in payment for contractors in the Building business, as a result of the A-76 Logistics study. The Mail business also began offering shuttle bus service between Forrestal and the Germantown locations, which were previously financed outside the Fund.

Bob Emond provided customer training to program representatives in Forrestal and Germantown. The success of the Fund depends in large measure on the ability of customer organizations to make informed choices about the services of the Fund businesses, and the continuing turnover of staff in both the business lines and customer organizations indicates the continuing need for this type of training. Bob is planning on offering the training several times next year at both Forrestal and Germantown locations. You will be notified before the training occurs.

Internal Cost Analysis: *Quarterly and Annual Financial Reports,* the *Indirect Cost Analysis,* and the *WCF Benefit/Cost Analysis Update* are a series of annual reports by the Fund Manager which analyze business costs. These reports are prepared for the Working Capital Fund Board, the DOE Chief Financial Officer, and the DOE Inspector General. These studies continue to support the claim: "…the Department has achieved substantial net economic benefits from the market-like approach of the Fund to the provision of common administrative services to Headquarters." When inflation is taken into consideration, the savings from the Fund are estimated to be $239 million over the life of the Fund. The current versions of these reports are available on line at www.wcf.doe.gov.

The Fund Manager also supports individual business-line ad hoc cost analyses and in addition to WCF Board working groups in their analyses of business segments during pricing policy reviews.

This year the Fund Manager conducted cost analyses that focused on fixed, variable, incremental, and unit costs; and the relationship between direct and indirect costs for WCF business-lines. We believe that this analysis will benefit business-line management, improve oversight, and provide better pricing policies that form the basis for program billing. This winter, we will update the third year of this analysis and use the data to help businesses to understand and control costs.

Financial Reporting Assessment: One of our businesses turned on the Fund Manager and required that the Fund undergo an audit of its systems. During February/March 2008, the Working Capital Fund (WCF) was audited, consistent with the DOE effort under OMB Circular A-123. The audit mapped financial processes and tested internal controls related to collecting program funding, obligating funds to WCF accounts, distributing these funds to business accounts and charging program accounts with costs in a timely and accurate manner. The CFO, through its contractors, audited both Working Capital Fund Accounting and Sub-allocations of Working Capital Funds in two separate audits.

The audits evaluated three types of risk: 1) The impact to the Department if the accounting for the WCF is incorrect; 2) if billings to customers are incorrect; and 3) if sub-allocations to business lines are incorrect or untimely. The audit identified sixteen controls currently in place by fund management to eliminate the risks identified. The auditors conducted sixteen tests to determine the effectiveness of these controls in addition to determining whether there was a need for further controls. The auditors published a report which documents the financial controls of the fund and explains the performance of these controls.

The tests resulted in no failures of controls and gave the auditor reasonable assurance of internal controls over the financial processes of the WCF.

FY 2009 Operations: Operations during FY 2009 will be complicated by the long-term continuing resolution. The uncertainty of eventual annual appropriations to customers, coupled with the cash-flow limits associate with part-year funding will inhibit the new Fund activities and financial practices included in the Department's FY 2009 budget submission. Fund officials are working with the affected business lines and their parent organizations to minimize adverse operational effects consistent with appropriation laws and policies.

In addition to the effects of the continuing resolution, we are aware of matters that will come before the Board on SEET funding, merger of the Information Management business lines, and other proposed improvements in current operations.

As Fund Manager and Board chair, I want to thank Bob Emond for his leadership in achieving these results, and I also want to thank Kathy Schanck for her accounting support and Ronald Mayo for timely and accurate billing information.

I also want to thank the business line managers, Board members and customers for their fine cooperation. We have found that better practices and better solutions evolve, when service providers and program customers work together to set policy and solve problems. This partnership often results in better outcomes, greater program benefits, and at the same time satisfying challenges for service providers.

This WCF Board has been incorporated since its appointment in June 23, 2005. Membership has been fairly stable and characterized by a high level of participation and collaboration in Board meetings. As the Presidential Transition evolves and new senior managers are identified, we encourage all Board members and customers to provide incoming officials with briefings on Fund practices. We invite you to include us in those briefings or ask us to provide background materials.

November 22, 2008

Financial Statements of the Working Capital Fund

Relation of Earnings to Expenses

The Fund experienced $2.6 million in net losses during FY 2008 on earnings of $115.7 million. The fund has recorded cumulative net earnings of $10.4 million since FY 1997 or approximately 0.9% of earnings over the twelve year period, in line with Congressional and Departmental policies. The cumulative net earnings can be misleading and a discussion of cash assets along with other balance sheet items is included later in this section of the report.

Table I: FY 2008 Year End Business Results
(dollars in millions)

	Earnings	Expenses	Net Earnings FY 2008	Net Earnings FY 97 – 08
Supply	$ 3.1	$ 3.4	$ -0.3	$ -1.5
Mail	2.4	2.5	-0.1	0.4
Copying	2.5	1.8	0.6	1.4
Printing & Graphics	2.2	2.4	-0.2	-0.1
Bldg Occupancy	74.4	73.1	1.4	8.3
Phones	9.4	15.2	-5.8	-12.0
Network	5.8	6.7	-0.9	5.3
Procurement Mgt	0.8	1.0	-0.2	0.5
Payroll Services	2.5	1.7	0.7	2.8
CHRIS	2.2	2.1	0.1	2.0
Corp Training Srvs	0.4	0.2	0.3	0.3
PMCDP	1.0	1.0	0.0	-0.1
STARS	5.0	4.5	0.6	0.9
Internal Control	4.0	2.7	1.3	2.2
Total[1]	$ 115.7	$ 118.3	-$ 2.6	$ 10.4

The cumulative net performance of the Building Occupancy and the Telephone businesses deserve further explanation. The net income in building does not represent a pure “profit”, since $3.9 million in net earnings are committed to unfinished construction projects and cannot be redirected to other uses or refunded to customers.

The Telephone Business Line was charged $9.3 million depreciation expense for the write-down in FY 2002 of the value of physical assets that were transferred into the Fund at its inception in FY 1997. The reported cumulative loss of $12.0 million has two major parts: a $4.9 million equipment purchase in FY 2008 (discussed below), and $7.1 million

[1] Numbers may not add due to rounding.

cumulative net depreciation of the original phone asset. The $7.1 million amount is a "book loss" caused by the accounting recognition of depreciation expenses without corresponding revenues to offset such costs. The write-off makes the asset life consistent with GSA guidance, and this has no adverse implications for the underlying, long-term financial stability and viability of the business.

Key factors explaining earnings/expense variations over $50,000 for FY 2008 follows:

The **Supply** business line earned a -$265,051 net income, due to excessive automated accruals. The business actually broke even for the fiscal year.

The **Mail** business line earned -$120,783 net income as a result of pressures to minimize collections based on mail stops. The Board accepted the recommendation of its working group to alter the pricing policy in FY 2009 and the businesses should return to break even status.

The **Copy** business line earned $632,732 net profit due to charging for paper usage in dedicated copiers and new dedicated copiers from FY 2007 in this year (approximately $250,000) (reported in last year's report). In addition, the business earned $380 k in profits as a result of increased use of color copies in the department.

The **Printing and Graphics** business line reported -$192,307 net earnings. This performance is based on $454 k in accruals that should not have been posted because billing for this effort will take place in FY 2009. Actual revised performance for this business is $262 k profit, which was due to over reporting FY 2007 costs. Except for a need to improve accrual processes, this business has no need to change its pricing policy.

The **Building Occupancy** business line earned $1,225,589 net profit. This is due to inadequate accrual processing. Once this adjustment is made, the business earned $80 k. We do not recommend a change in pricing policy at this time. Electronic services which is collected in this business line, earned an additional $158,937 profit related to delayed procurement of digital equipment. Related costs will be incurred during FY 2009.

The **Telephone** business line earned -$5,838,754 due to increased infrastructure costs ($1.0 million) and the equipment upgrade ($4.8 million) to replace analog phone switches with digital phone switches. The capital we used for this purchase was the residual cash earned from billing customers for annual depreciation over the past several years. This is a one-time purchase that was approved by the WCF Board. We believe that digital equipment will have a significant impact on cost, including other infrastructure costs, in the future. At this time we are not proposing a change in the pricing policy until we can evaluate the impact on future savings.

The **Network** business line earned -$891,283 due to a one-time rebate of $1 million that was provided to customers from the excess capital maintained by the business in its retained earnings. In addition the business experienced increased costs related to infrastructure ($450 k) offset by a prior year credit ($341 k). There is no need to change the pricing policy.

Procurement Services earned -$227,046 net income due to closeout deferrals requested by programs and the shift from high rated closeouts to lower rated closeouts ($369 k). This loss was offset in part by reduced spending in purchase card surveillance ($142 k).

The **Payroll** business line earned $748,754 net income due to lower than expected charges from DFAS.

The **CHRIS** business line earned $81,341 net operating profit. The business is retaining revenue to offset a potential capital requirement for transferring to a "line of business" service provider.

Corporate Training Services earned $268,314 net profit due to increased registrations to course offerings and board investment in course development ($150 k). Programs will no longer be charged the $30/class investment surcharge beginning FY 2009.

The **STARS** business line earned $589,595 net profit, due to delays by the CIO in accruing for costs related to software purchases completed last year. The actual profit should have been approximately $ 50 k.

Financial Reporting Control Assessment (A-123) business line experienced net earnings of $1,256,746 due to deferred spending pending a review of the program. Program requirements are declining and the FY 2010 Budget Request already shows a reduction of $1 million.

Relation of Customer Payments to Anticipated Customer Billings

By the end of FY 2008 all customers had advance funds equal to or greater than actual billings. These unearned customer advances provide liquidity to Fund businesses and will be credited to program accounts for FY 2009 billings. In the beginning of FY 2008, a similar carryover amount financed the first ten weeks of operations in the absence of appropriations.

In past years, the Fund Manager obligated program funding directly to business accounts. In this way, contingency funds and retained earnings were identified with the business where these surplus funds resided. A more effective model would place the contingency in the Fund Manager's account, which would allow the contingency to cover the risk associated with total Fund operations. The likelihood that all businesses would require maximum contingency is remote. Also, limiting business funding to current requirements, places controls and disciplines on the businesses that surplus funding obscures. The new DOE financial system, STARS, required the Fund Manager to allocate funds to the business lines and offered the opportunity to control allocations and retain contingency at the Fund Manager's office. As a result this change increased internal controls over Fund financial management. Contingency is carried in the Fund Management line below and managed by the Fund Manager.

Table II. Comparison of Advances to Billings
(dollars in millions)

	Advances	Billings	% Collected
Supplies	$3.6	$ 3.1	116%
Mail	3.3	2.4	137%
Copying	2.1	2.5	84%
Printing & Graphics	3.0	2.2	136%
Bldg Occupancy	73.6	74.4	99%
Phones	17.4	9.3	187%
Network	9.8	5.8	169%
Contract Closeout	0.7	0.8	87%
Payroll Services	2.6	2.4	108%
CHRIS	2.2	2.2	100%
Corp Training	0.5	0.4	125%
PMCDP	1.4	1.0	140%
STARS	6.6	5.0	132%
Financial Control	4.0	4.0	100%
Fund Management	19.2	0.1	N/A
Total	$151.2	$107.3	141%

Relation of Payments to Obligations by Business Line

There was no reportable administrative control of funds violation by Working Capital Fund business lines.

At the end of FY 2007 the fund recorded $27.5 million in collections in excess of obligations. For FY 2008 we received a further $123.7 million in customer advances for a cumulative availability of $151.2 million, as shown in Table III. In addition there were $19.4 million of customer advances not allocated to businesses.

Overall, fund businesses are carrying $21.1 million in unobligated balances into FY 2009. It should be noted that these balances are not unencumbered assets, in the sense that there are offsetting service delivery liabilities ($31.8 million) associated with customer advances.

Table III: FY 2008 Annual Business Results: Federal Agency Basis
(dollars in millions)

	Unobligated Balance 10/07[2]	Current Year Funding Allocations	Total Allocated to Businesses	Obligations	Unobligated Balances 9/08
Supplies	$0.0	$3.6	$3.6	$3.4	$0.2
Mail	0.2	3.1	3.3	3.0	0.3
Copying	0.1	2.0	2.1	1.9	0.2
Printing & Graphics	0.1	2.9	3.0	2.7	0.2
Bldg Occupancy	0.9	73.8	74.7	74.4	0.3
Phones	0.6	16.8	17.4	17.3	0.1
Network	2.4	7.4	9.8	9.8	0.0
Contract Closeout	0.3	0.4	0.7	0.5	0.2
Payroll Services	0.5	2.1	2.6	2.6	0.0
CHRIS	0.0	2.2	2.2	2.1	0.1
Corporate Training	0.2	0.3	0.5	0.1	0.4
PMCDP	0.0	1.4	1.4	1.4	0.0
STARS	0.0	6.6	6.7	6.7	0.0
Financial Control	0.0	4.0	4.0	4.0	0.0
Fund Management	22.2	-2.7	19.5	0.1	19.4
Total	$27.5	$123.7	$151.2	$130.1	$21.1

[2] The unobligated balances are made up of earned and unearned customer advances from the prior fiscal year. These funds often act as working capital during the early weeks of the new fiscal year.

Changes in Budget Estimates by Business Line and Customer

The $6.9 million decrease from the March 2006 to the December 2006 estimate for FY 2008 was the result of eliminating External Independent Reviews ($7.0 million). In executing FY 2008, estimates for Building Occupancy have increased by $3.9 million, offset by a $1.0 million reduction in usage of printing and graphics, and $0.3 million in corporate training. The other businesses have slight offsetting differences from earlier estimates.

Table IV a., FY 2008 Budget Estimates for WCF Businesses

Date	Process	FY 2008 Billing Estimate ($Millions)
March 2006	FY 2008 Corporate Review	$120.1
December 2006	FY 2008 Congressional Budget	$113.2
December 2007	FY 2009 Congressional Budget	$113.2
September 2008	September WCF Bill	$115.8

Changes in Budget Estimates by Customer

The Fund staff provides guidance to program customers at various stages in the budget process. While recognizing that customer organizations can make decisions to increase or decrease their use of services, we seek to provide reliable forecasts of spending patterns. Table IV.b. analyzes the absolute dollar and percentage variation by customer between the estimates associated with the FY 2008 column of the FY 2009 Request to Congress and the actual FY 2008 customer billings. The aggregate absolute value of changes was $17.8 million, or about 16%.

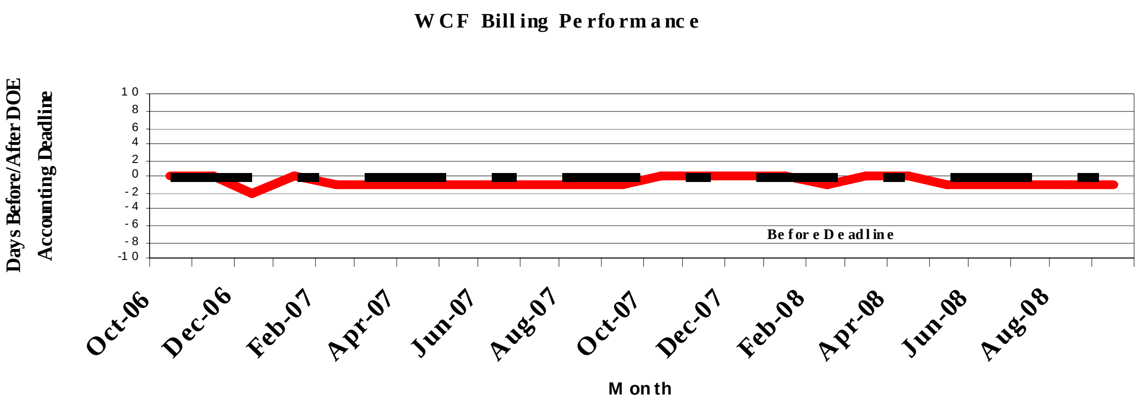
Fifteen program customers experienced differences of 10% or more this year. Two programs were combined (IN and CN) and two programs were reorganized (EH and DR into HS). Even after accounting for the combined offsets for HS, that program earned additional savings by consolidating infrastructure in space, phones, and network requirements. Five programs (EE, HG, HC, NE, and OE) required additional space and building alterations due to increased workforce and consolidation of space. BPA eliminated a printing requirement. The CFO increased its support of STARS. The increase for NR was related to budgeting Corporate Systems in NA and paying in NR. PA reduced administrative expenses and space. EIA and LM consolidated space with significant savings.

Table IV.b: FY 2008 Budget Estimate Accuracy by Customer (dollars in thousands)

Customer Org	FY2009 Cong Request	Final FY2008 Charge	Absolute Change	Absolute Change %
Secretary of Energy Advisory Bd	$ -	$ -	N/A	N/A
Board of Contract Appeals	-	-	N/A	N/A
Bonneville Power Administration	262	194	68	**26%**
Chief Financial Officer	4,729	5,359	630	13%
Cong. & Intergov'l Affairs	755	691	64	8%
Counterintelligence	1,296	86	1,210	**93%**
Dept Rep to the DNFSB	-	22	22	N/A
Economic Impact and Diversity	705	682	23	3%
Energy Efficiency	7,006	8,677	1,671	24%
Environment, Safety, and Health	4,299	66	4,233	**98%**
Energy Information Admin	7,662	6,367	1,295	17%
Environmental Management	9,003	9,850	847	9%
Fossil Energy	4,285	4,056	229	**5%**
General Counsel	3,051	3,239	188	6%
Hearings and Appeals	808	951	143	18%
Human Capital Management	2,161	2,372	211	10%
Health, Safety, and Security	6,151	8,834	2,683	44%
Inspector General	1,721	1,738	17	1%
Chief Information Officer	5,597	6,046	449	8%
Intelligence	3,165	4,766	1,601	**51%**
Legacy Management	745	636	109	15%
Management and Administration	9,189	9,599	410	4%
National Nuclear Security Admin:	23,073	23,168	95	**0%**
Nuclear Energy	2,901	3,186	285	10%
Naval Reactors	306	495	189	**62%**
Office of Electric Transmission & Distribution	904	1,354	450	**50%**
Public Affairs	796	494	302	**38%**
Policy and International Affairs	1,770	1,932	162	9%
Civilian Radioactive Waste Mgmt	1,948	2,006	58	3%
Office of the Secretary	1,165	1,201	36	3%
Science	6,625	6,698	73	1%
WAPA/SWPA/SEPA	1,090	1,046	44	4%
Field Office (OLC)	46	-	46	N/A
Total	$ 113,245	$ 115,824	$ 17,843	16%

Financial Management Systems

The WCF billing system continues to successfully produce timely and accurate monthly bills. The chart below indicates the billing performance related to transferring customer-billing information to STARS by the second working day of the month. This allows the Fund staff, with the cooperation of EFASC officials, to have the billings entered into STARS each month before the accounts are closed. A minus two (-2) indicates that billing was forwarded two days before the deadline. This standard provides customers with costs reported in STARS in the same month they occur. The time between the end of the month and the issuance of the bill is extremely consistent.



Indirect Cost Study: On September 24, 1999, the Inspector General conducted its most recent periodic audit of the Working Capital Fund, concluding, "The Fund was operated in compliance with the required administrative controls, used performance measures appropriately, and implemented actions to correct problems identified in the prior period where feasible." The audit did not make any recommendations. In response to an earlier 1997 Inspector General report, Working Capital Fund management agreed to provide a report to the Board that identifies Working Capital Fund business costs not now reflected in the Working Capital Fund pricing structure. The first report was transmitted to the Board on June 30, 1998. The latest report was forwarded to the Board at its December meeting and is available on www.wcf.doe.gov .

Since the creation of the Working Capital Fund (WCF), there have been numerous changes in the structure and offerings of the Fund businesses including new businesses and the impact of competitive sourcing on existing businesses. FY 2008 Indirect Costs were reported as 13.9% as a percentage of revenues. Declines in these costs have been offset by charges for DOECOE and subsidies to outsourced contractors. Generally these costs have declined from a high of 16% in FY 2000 and will decline further in FY 2009 when the costs for the logistics contract are added to Fund cost structure as a direct cost.

Financial Analysis and Interpretation

The previous sections address the key financial questions that the Board asked the Fund Manager to address in the December 1998 procedures. Specifically, Section V.A.(3) (a) identified the following matters to be addressed in each quarterly report, to include the annual report:

i. Relation of earnings (billings) to expenses (accrued costs) by business line;
ii. Relation of payments (advances) by customer to current and anticipated annualized billings under current pricing policies, with a discussion of material balances or deficiencies;
iii. Relation of payments (advances) to obligations by business line;
iv. Changes in budget estimates, by business line and customer, from previously published estimates;
v. Anticipated need to change billing of WCF costs or to make substantial changes in operating levels.

This list of key topics from the 1998 procedures forms the basis for the tables in the previous sections, linked primarily to matters addressed either in a business income statement or in governmental administrative-control-of-funds.

In addition to these variables, the Fund staff evaluates performance in several ways. First, we maintain a historical analysis that compares the customer billings since creation of the Fund for FY 1997 to the costs for the equivalent administrative services during the four years prior to creation of the Fund (FY 1993-96). This analysis is contained in a report on the WCF Home Page. Summary of results follows:

During the twelve years of the Fund, the average annual costs of continuing businesses decreased by $6.1 million per year, over 7% in current (as spent) dollars. When inflation is taken into consideration, the savings from the Fund are estimated to be $20.0 million/year or approximately $239 million over the life of the Fund in constant FY 2000 dollars. While there are many qualifiers on this analysis, the evidence remains strong that the Department has achieved substantial net economic benefits from the market-like approach of the Fund to provide common administration services at Headquarters.

Fund management also reviews and analyzes the balance sheet for the Fund as reported to the Treasury, and the following section addresses key balance sheet variables that bear on the health of the Fund businesses.

Balance Sheet Variables

Information in the financial balance sheet should be considered by the Board in interpreting the financial condition of the Fund. Table V provides the unaudited WCF balance sheets for the past two fiscal years, accompanied by a discussion of some of the major developments. The appendix at the end of this report includes a display of balances for the past ten years highlighting some interesting trends and a detailed report of balances provided by the Financial Reporting and Analysis Division of EFASC.

Total Assets for the Fund in FY 2008 increased by $4.7 million over FY 2007. This increase is due largely to the $5.7 million increase to Fund Balance with Treasury offset by reductions to capital assets, accounts receivable and inventories. This increased cash position is a result of increased Unearned Program Advances (+ $7.9 million). Net Position declines by $2.9 million, which is roughly equivalent to the FY 2008 net income reported above.

Table V. WCF Balance Sheet FY 2008/FY 2007 ($ in Thousands)

		As of September 30, 2008		As of September 30, 2007	
ASSETS:					
	Fund Balance with Treasury		**$ 82,465**		**$ 76,820**
	Accounts Receivable, Net		**0**		**179**
	Advances and Prepayments		**323**		**325**
	Supplies Inventory		**119**		**271**
	Original Purchase Price	**21,009**		**21,688**	
	LESS: Accum Depreciation	**21,009**		**21,064**	
	Property and Equip, Net		**0**		**624**
TOTAL ASSETS:			**$ 82,907**		**$ 78,218**
LIABILITIES:					
	Accounts Payable		**$ 19,008**		**$ 19,255**
	Unearned Customer Advances		**31,763**		**23,943**
	Contract Holdbacks		**5**		**5**
TOTAL LIABILITIES:			**50,776**		**43,203**
NET POSITION:					
	Invested Capital		**34,943**		**35,466**
	Cum Results of Operations		**-2,812**		**-452**
TOTAL NET POSITION:			**32,131**		**35,014**
TOTAL LIABILITIES AND NET POSITION:			**$ 82,907**		**$ 78,218**

The Total Liabilities of the Fund are significant at $50.8 million, but easily disposed of. The payables have already been accrued to cost in FY 2008. The unearned customer advances are prepayments toward the FY 2009 requirements and will largely be disbursed before January.

Corporate Equity

Net Position is the difference between Total Assets and Liabilities, and represents a measure of the Department's equity in the Fund. When the Fund was created, this net position was reflected primarily in the value of equipment and inventories. Two major components at that time were the value of the Telephone switch, which was being depreciated on a 30-year life, and the value of the Supplies inventory. However, with the sale of the Supplies inventory to PAPERCLIPS and the write-off in FY 2002 of the Telephone assets, the level and composition of the Net Position have changed. Specifically, the level declined by nearly $6 million in FY 2002 by the amount of the Telephone asset write-off, offset by the operating profit of other businesses, and the composition shifted such that $31.7 million of the Net Position is reflected as cash and $0.4 million in equipment or inventory. This cash is a vital source of liquidity during the beginning of each fiscal year and finances capital acquisitions and other cost saving improvements.

The derivation of this cash component of Net Position can be summarized as follows:

- Net Earnings of $10.4 million for the first twelve years of the Fund;
- Recording of $16.6 million in net depreciation over the life of the Fund, a non-cash charge; and
- Contributed Capital of $4.7 million, including $2 million from the CFO for the Payroll business, $0.3 million from the CIO to support the Desktop business, and the remainder in the form of contract balances transferred in from the former Management and Administration organization.

At the end of FY 2008, this cash balance is reflected in the Department's accounts as $31.7 million in uncosted obligations on contracts. In terms of business lines, $13.8 million is associated with the Building Occupancy business ($9.1 million on unfinished improvement projects and $4.7 million on operating contracts); another $4.8 million is remaining for Payroll operations at DFAS; and $5.0 million is earmarked for capital projects to update the Telephone and Network infrastructure**.** The remaining $8.1 million is split between the nine other Fund businesses.

Supply Business Line

FY 2008 Annual Report

Financial Summary

	FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 2001-2008 *(millions)*
PAPERCLIPS	$ 3.1	$ 3.4	-$ 0.3	-$ 0.5[1]

Background

PAPERCLIPS operates two main stores, which carry a wide variety of consumable office products. The supply business also obtains non-stocked items for customers. Our customers are employees of the Department's program offices. The offices are then billed for employee purchases.

Defining Success

This business supports the DOE Headquarters programs by providing, from a convenient location, basic office supplies necessary for employee desktop productivity. A market basket analysis of 10 common purchase items in August 2008 indicated that PaperClips supplies cost the Department 11.9% less than the competition. Because of the contractual nature of DOE's relationship with the service provider the measures of success are customer demand and customer satisfaction. Customer demand is measured by continuing purchases. Customer satisfaction can be measured by surveys. We are deciding whether to survey customers in FY 2009. A new contract was awarded on February 19, 2006. The contract was again awarded to Winston Salem Industries for the Blind – Paperclips.

Financial Overview

The **Supply** business line earned a -$265,051 net income, due to excessive automated accruals. The business actually broke even for the fiscal year.

Business Line Manager

Terry Butler 202-586-5201

[1] Financial results for PAPERCLIPS reflect only the performance since this organization took over the supply stores in FY 2001. the predecessor organization suffered $1.1 million cumulative losses.

WORKING CAPITAL FUND
U.S. DEPARTMENT OF ENERGY

Mail Services Business Line

FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(Millions)*	FY 2008 Expenses *(Millions)*	Net Earnings FY 2008 *(Millions)*	Net Earnings FY 1997-2008 *(Millions)*
$ 2.4	$ 2.5	-$0.1	$ 0.4

FY 2008 Achievements

- The DOE Mail Management Team best practices cost savings initiative save the agency $32,105.
- The Express Office has restructured the intake of express mail; this will allow better organization when sorting and/or distributing packages on a daily basis.
- The DOE Mail Team completed the required General Services Administration (GSA), Annual Mail Management Profile Report. The required deadline to GSA was March 30, 2008.

Background

The Mail Services Business Line has provided service to DOE since FY 1997. We seek to achieve the highest possible level of customer satisfaction and safety with our mail operations. The DOE Mail Center provides a variety of mail services for all official and other authorized mail for DOE and its employees, including: the processing of all incoming postal mail, outgoing official mail, internal mail processing, and special services including accountable mail processing, pouch mail, a variety of overnight express mail services, directory services, and pick-up and delivery services.

Mail Centers are found at the following locations:

- Forrestal Building—Room GL-084:
  1000 Independence Avenue, SW
  Washington, DC 20785
- Germantown Building—Room E-076:
  19901 Germantown Road
  Germantown, MD 20874-1290
- 270 Corporate Center—Room 1003:
  20300 Century Boulevard
  Germantown, MD 20874

Defining Success

This business contributes to the flow of critical information for DOE programs by distributing hard copy documents and printed materials, inspecting and cleaning the mail, and discovering low cost postal options. The business has adopted the following balanced scorecard objectives as the basis for measuring success.

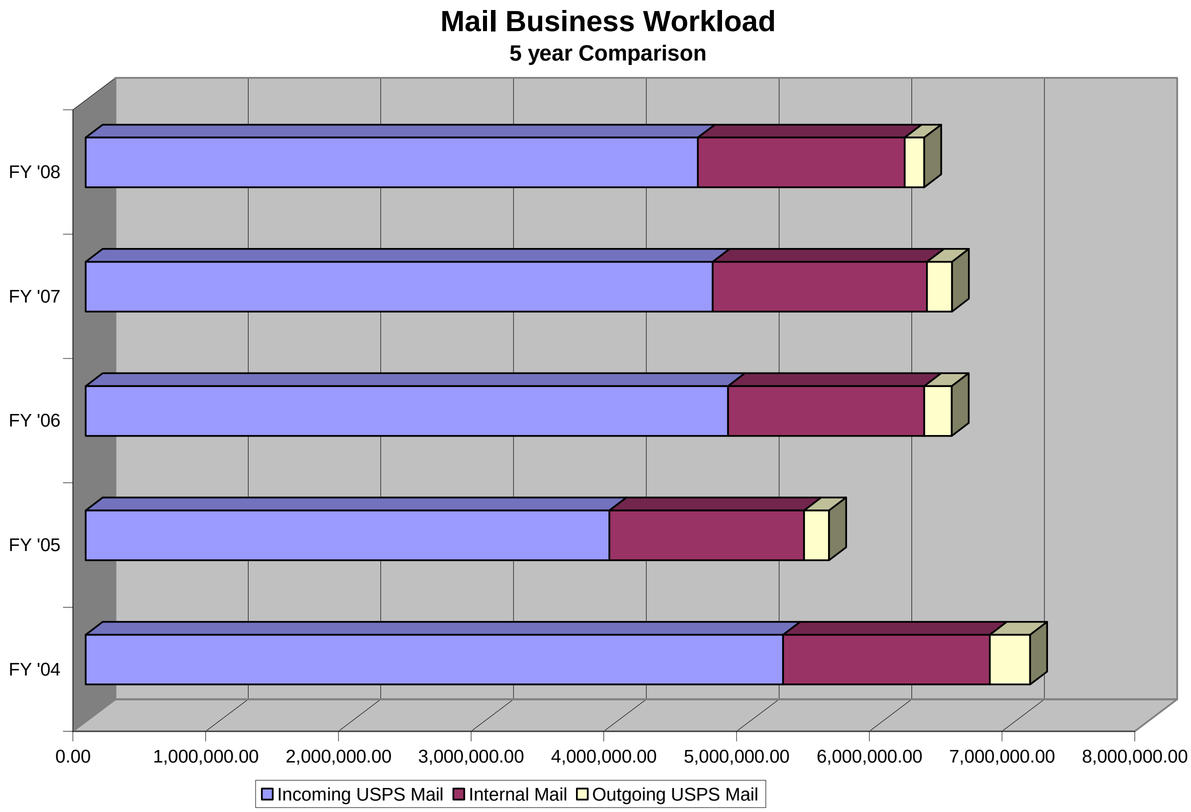
Mail Business Balanced Scorecard Objectives

	Customer Improve customer satisfaction.	
Financial Reduce customer's mailing costs.		***Internal Processes*** Streamline internal processes and apply best practices and technology advancements.
	Learning and Growth Enhance the effectiveness, knowledge, and satisfaction of Mail Service Business Line employees.	

Business Line Trends

The mail business handled approximately 6.4 million pieces of mail during FY 2008. The volume of both incoming mail and outgoing mail activity increase slightly this year but remained below prior year averages. With the creation of the Fund in FY 1997, program offices became responsible for paying for outgoing USPS mail and the volume of such mail has remained relatively small. There has also been a trend toward reduced internal mail, likely due to increased use of e-mail.

The mail business earns revenue to support internal distribution infrastructure based on the number of program customer mail stops. Program customers are reducing the number of mail stops with the result that these infrastructure costs will increase per mail stop. However, this trend is occurring at the same time that infrastructure costs are declining. We will be looking closely at this development during FY 2009 and make recommendations to the WCF Board.



Mail Business Line Workload Measures							
	Incoming USPS Mail	Internal Mail	Outgoing USPS Mail	Special. Services In	Special Services Out	Program Mail Stops	Common Mail Stops
FY 08	4,612,843	1,557,477	147,627	42,382	8,948	75	6
FY 07	4,723,854	1,615,714	187,411	44,235	9,240	75	6
FY 06	4,839,137	1,478,430	207,379	46,395	9,481	73	6
FY 05	3,945,382	1,467,452	188,230	60,320	8,439	76	6
FY 04	5,254,777	1,557,477	303,727	48,519	14,271	100	6

FY 2008 Financial Overview

The **Mail** business line earned -$120,783 net income as a result of pressures to minimize collections based on mail stops. The Board accepted the recommendation of its working group to alter the pricing policy in FY 2009 and the businesses should return to break even status.

Business Line Manager

Business Line Manager: Anthony Nellums, 202-586-6064

Photocopy Business Line

FY 2008 Annual Report

Financial Summary	FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
	$ 2.4	$ 1.8	$ 0.6	$ 1.4

FY 2008 Achievements

- The Staffed Copy Center supported multiple projects such as; The D.O.E 2008 Science Bowl, and the FY 2009 DOE Budget.
- The HQ Copy Management team leased a total of 156 Ricoh copiers within DOE HQ offices for FY 2008.
- The HQ Copy Management team outright purchased a total of 17 copiers for offices at HQ for FY 2008.
- Copy Services processed 3,659 toner cartridges for recyclable usage.

Background

The Photocopy Business Line was part of the original Fund in FY 1997. The Photocopy Business Line provides convenient and cost-effective duplicating services and dedicated copiers to DOE Headquarters organizations at three Germantown Locations as well as Forrestal and L'Enfant Plaza facilities. At the main Germantown, Forrestal and L'Enfant Plaza locations, the business line operates a staffed copy center in each location and provides service and equipment for central and dedicated copiers. The Copy Management Staff also perform the following:

- Acquisition activities on behalf of program customers.
- Confer with customers at all levels to identify their copying requirements.
- Arrange for delivery, installation of newly acquired equipment.
- Negotiate with the vendors for trade-in discounts.
- Coordinate training for key operators and users on newly acquired equipment.
- Establish annual maintenance agreements with vendors (including negotiation of most cost-effective terms and conditions).
- Coordinate servicing of the copiers for customers.
- Maintain copier supplies for the various copier models.
- Recycle toner and ink jet cartridges.
- Provide door-to-door delivery of paper.

- Provide bulk delivery service for xerographic paper (by-the-skid).
- Perform equipment surplus functions, where appropriate.

A mix of Federal and contractor staff performs these functions. Program offices are charged for central and staffed copiers on a cost-per-copy basis, based on the number of copies made by program staff and a full vendor cost basis for its assigned dedicated copiers.

Defining Success

This business supports DOE program missions by providing document management, including paper copies and digital files for distribution and storage.

Photocopy Business Line Balanced Scorecard Objectives

	Customer Provide customers with convenient copy facilities and maintain low total cost to the customer.	
Financial Improve efficiency and ensure full cost recovery.		***Internal Processes*** Streamline internal processes and apply technological advancements logically.
	Learning and Growth Enhance the effectiveness, knowledge, and satisfaction of Photocopy Business Line employees.	

Business Line Trends

As shown in the figure on the following page, since the Fund was created, the number of total photocopies produced in Headquarters to 21 million copies per year in FY 2008. This compares to over 100 million copies per year in FY 1996, before the Fund was created. The digital scanning and OCR business segment will enhance the ability of this business to help our customers manage their document needs.

Photocopying technology continues to improve. Though usage is declining, we expect the requirement for photo copies to continue. In order to satisfy customer needs, we represent DOE at monthly vendor functions to keep cognizant of all new state-of-the-art equipment and interface with our peers at other government agencies to keep current on any laws and regulations that may affect our current business operations. We are also planning to provide automated access control and meter reporting for individual copiers in the coming year.

Copying Workload Trends

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Color	1,091,678	1,289,636	1,668,474	1,753,612	2,015,956
Staffed	10,664,649	10,979,249	9,663,144	6,228,690	3,964,714
Central	4,860,786	4,007,643	2,809,561	2,011,944	1,252,571
Dedicated	18,259,173	19,621,154	16,191,859	15,685,791	14,084,794
Totals	34,876,286	35,896,682	30,333,038	25,680,036	21,328,036

The business has maintained a very competitive pricing structure for copies in comparison to other organizations within and outside the Federal Government, as shown in the following table.

Cost-Per-Copy Comparison		
Organization	**B/W**	**Color Copies**
DOE (central/staffed)	$0.028	$0.50
Agriculture	$0.05	$0.75
EPA	$0.07	$0.45
Labor	$0.00	$0.40
Transportation	$0.05	$0.55
Kinko’s	$0.12	$0.49
Copy General	$0.03	$0.43
Office Depot (under 1000 copies)	$0.03	$0.43
Staples	$0.08	$0.49

There has been continued reliance on dedicated copier machines at DOE, explaining, in part, the significant reduction in the number of copies made at the central copier locations as well as black and white copies in the staffed copy center. The business is exploring options to further consolidate central copiers. New copiers are predominantly digital and connected to the LAN.

Copier Machine Trends

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Miscellaneous	4	3	3	0	0
Dedicated	320	334	341	312	345
Central	35	29	29	22	12
Staff	9	9	9	10	11

Number of Machines

****FY 2007 copier inventory has been adjusted, following a systems analysis and physical inventory verification.**

FY 2008 Financial Overview

The **Copy** business line earned $632,732 net profit due to charging for paper usage in dedicated copiers and new dedicated copiers from FY 2007 in this year (approximately $250,000) (reported in last year's report). In addition, the business earned $380 k in profit as a result of increased use of color copies in the department.

Business Line Manager

Business Line Manager: Anthony Nellums (202)586-6064

Printing and Graphics Business Line

FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
$ 2.2	$ 2.4	-$ 0.2	-$ 0.1

FY 2008 Achievements

Printing:

- Processed 1,412 print requests that included 126 direct sites and 154 Government Printing Office Open Requisitions.
- Provided ongoing assistance to the customers on creating and submitting electronic media files for the printing of documents.
- Conducted a Department-wide FY 2009 Open Requisition Survey for the Government Printing Office (GPO) publication to be printed through-out FY-2009. The data was compiled and submitted to GPO. This forms the basis for DOE request for copies of other federal publications.
- Completed various items to support the FY 2008 and FY 2009 National and Middle School Science Bowls to include posters, calendars, certificates and brochures.
- Printed copies of the program and invitations used for the FY 2008 Secretary's Honors Awards.
- Printed copies of the Departmental 2009 Congressional Budget Request. Copies of the budget were submitted to congress.
- Compiled and submitted the Department-wide Printing and Publishing Activities Report "Three-Year Plan" to the Congressional Joint Committee on Printing. This report provides information on FY 2007 and out years through FY 2011 printing and publishing activities.
- Compiled and submitted the FY 2008 Department-wide Semi-Annual Commercial Printing Report (JCP Form No. 2) to the Congressional Joint Committee on Printing. The report provided a listing of work produced out-side of using the Government Printing Office.

- Compiled and submitted response to a Congressional Request on Appropriated Funds Expended on Printing by the Department for Fiscal Years 2003 – 2007.

- Printed copies of the FY 2007 Agency Financial Report. The report provides information on the Department's financial information, summary performance results and the status of the internal controls in a streamlined manner.

Graphics:

- Processed 2,120 graphics requests

Launched an electronic Customer Service Form to headquarters based customers. This service allows customers to fill in the form and submit information back to Graphics electronically and enabling us to reach 100% of our customer base.

Background

Printing services produce a complete range of high-quality printed products comparable to those available from a full-service commercial enterprise. The services include: mailing, shipping, and distribution; production of Government Printing Office (GPO) printed inserts to the daily Federal Register; production and duplication of various electronic informational media; and court reporting and transcription services.

The graphics business line provides onsite design and production services for all graphic products required by Headquarters offices. Products and services include but are not limited to the following: full color posters, various sized signs, exhibits, promotional materials, desktop publishing services, presentations, certificates, seminar materials, and output services. In addition, this business provides expertise and project oversight when coordinating work produced for DOE by commercial firms.

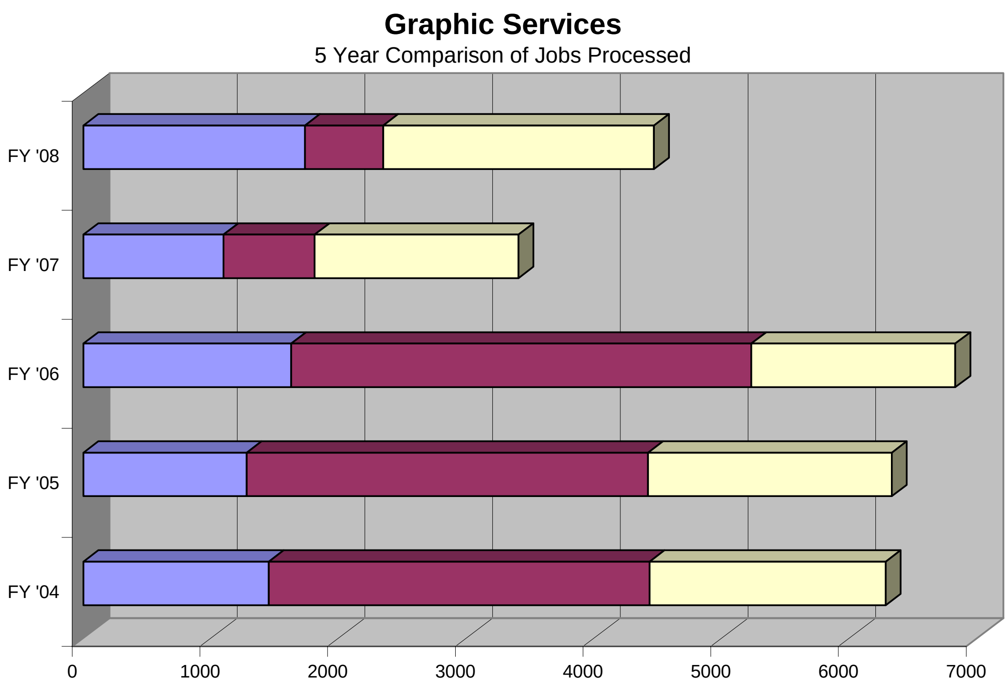
The business line also provides onsite photographic services for all Headquarters offices. Services include but are not limited to the following: Washington DC & metropolitan area photographic sessions, studio photography, passport & visa services, digital photography, and complete photo lab services. The business line maintains DOE technology visuals in order to provide prints/slides to Department-wide program personnel and the public sector. In addition, this business catalogues and maintains negatives generated by Headquarters photo assignments. The business line sells printed products, such as official DOE stationary, that had previously been sold through the Supplies business line.

Defining Success

The Printing and Graphics Business Line’s goal is to provide quality printed and graphics services in an expeditious, timely, and efficient manner at the lowest cost to programs. The focus is on capacity, processes, and quality control.

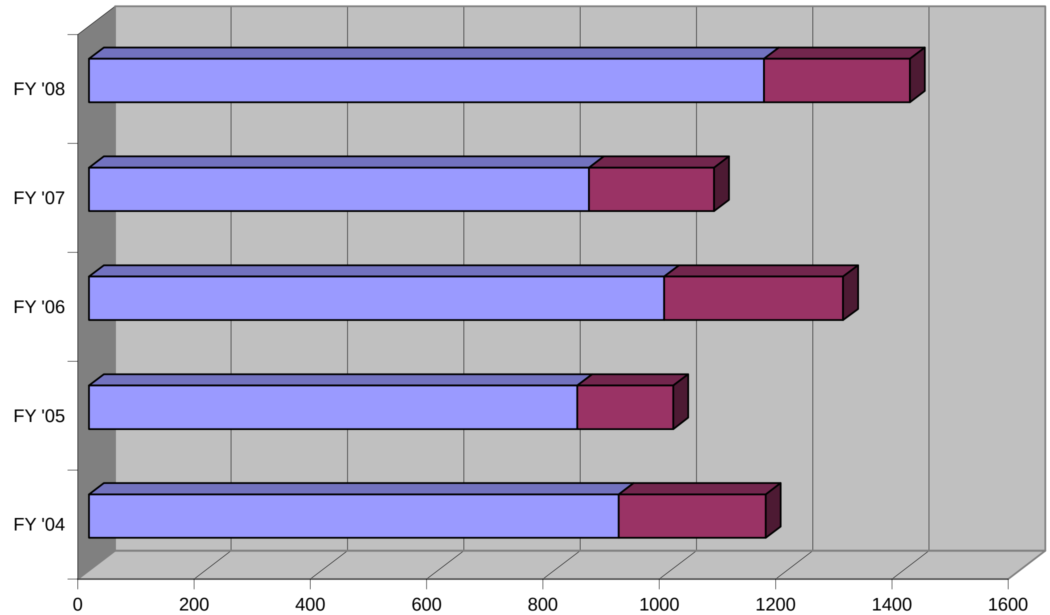
Printing and Graphics Business Balanced Scorecard Objectives

	Customer Provide final printing products that conform to customer's expectations.	
Financial Reduce customers' printing costs by identifying less expensive methods of production.		***Internal Processes*** Foster partnership with GPO to utilize "best-value" contracting.
	Learning and Growth Improve the skills of all staff through training and improved automated systems.	



	FY '04	FY '05	FY '06	FY '07	FY '08
Graphics	1848	1908	1597	1597	2120
ETVC	2982	3144	3604	713	612
Photo	1452	1278	1627	1097	1736

Printing Services Business Line
5 Year Comparison of Jobs Processed



	FY '04	FY '05	FY '06	FY '07	FY '08
Federal Register	253	165	308	215	251
Printing	911	840	989	860	1161

FY 2008 Financial Overview

The **Printing and Graphics** business line reported -$192,307 net earnings. This performance is based on $454 k in accruals that should not have been posted because billing for this effort will take place in FY 2009. Actual revised performance for this business is $262 k profit, which was due to over reporting FY 2007 costs. Except for a need to improve accrual processes, this business has no need to change its pricing policy.

Business Line Plans and Anticipated Issues

The Printing and Graphics Business Line has identified the following as key objectives to be implemented:

Printing:

- Meet with program offices to facilitate discussions about utilizing Headquarters Printing Team for procuring work through the Government Printing Office in place of sending work to field sites for production.

- Increase FY2008's efforts to utilize the Government Printing Office Simplified Purchase Agreement Program to achieve an even higher degree of creative solutions resulting in exceeded expectations.

- Continue hands-on proof and press sheet inspections on printing items when appropriate to ensure customers receive expected and appropriate value and quality.

- Continue seeking alternative procurement methods to minimize program and DOE cost.

- Continue teaming and planning with customers to ensure expectations are met or exceeded.

Graphics:

- Graphics is exploring a new job tracking system to keep up with current technologies that continues to support program office needs.

Business Line Manager

Dallas Woodruff, Dallas.Woodruff@hq.doe.gov, 202-586-4318

Financial Summary

Building Occupancy Business Line

FY 2008 Annual Report

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
$ 74.4	$ 73.1	$ 1.2	$ 8.3

FY 2008 Achievements

- Continued construction and relocated personnel to acquired swing space, facilitating the GSA $40 million Forrestal Life Safety Sprinkler System and Voice Annunciation Fire Alarm System Installation Project
- Continued to eliminate barriers to persons with disabilities from the biennial audits of the Forrestal and Germantown buildings. Since FY 1999, a total of 320 of the 425 barriers identified or 75.3% have been eliminated.
- Continued to implement HQ infrastructure improvements.

Forrestal:

- Completed the Forrestal Roof-Top Solar Array installation.
- Carpeted Elevator Lobbies at the Forrestal Building.
- Installed new Chairs, Tables and Countertops in Forrestal Main Cafeteria.
- Completed Sprinkler Project in the Secretary's Ceiling.
- Received *Energy Star®* Label for the Forrestal Building.

Germantown:

- Replaced the A-Wing East exterior concrete stairway to correct safety deficiencies.
- Completed the Emergency Electrical Distribution System upgrade in GTN to support COOP activities.

Leased Buildings:

- Acquired space for the Office of Intelligence in Vienna, VA.. Lease awarded 8/20/08.
- Released the Landover Warehouse.

Background

The products and services provided by the Building Occupancy Business Line include: space management, assignment, allocation, acquisition, disposition and utilization, utilities, cleaning services, snow removal, facility operations and maintenance, pest control, trash removal, waste recycling, drafting of construction documents (drawings and specifications), developing scopes of work, construction management and inspection, engineering, lease-hold administration, lock repair and key management, safety and occupational health, and conference support. These services are provided at standard and above standard levels of service. The standard level of service is to provide the basics of a safe, healthy, warm and adequately lit shell. Renovations within a suite of offices for the benefit of the program office are considered to be above the standard level of service for which programs are billed. The mission of this business line is to provide the most expeditious and efficient service in a safe and healthy environment to the members of the DOE program offices and to achieve the highest possible customer satisfaction in accordance with the Federal Property Management Regulations. The Building Occupancy Business Line is led by a management team whose combined backgrounds consist of corporate knowledge in occupancy allocation, building maintenance and operations, as well as engineering and facilities management. The staff is a diverse, quality workforce consisting of trade and professional personnel, and contractors.

Defining Success

To monitor the Business Line's service performance, the Business Line tracks several metrics. These include cost per square foot of both government owned and leased space, cost per person, the number of employees housed, vacancy rate, and the total square footage of space utilized. The Balance Scorecard objectives in the Building Occupancy Business Plan are as follows:

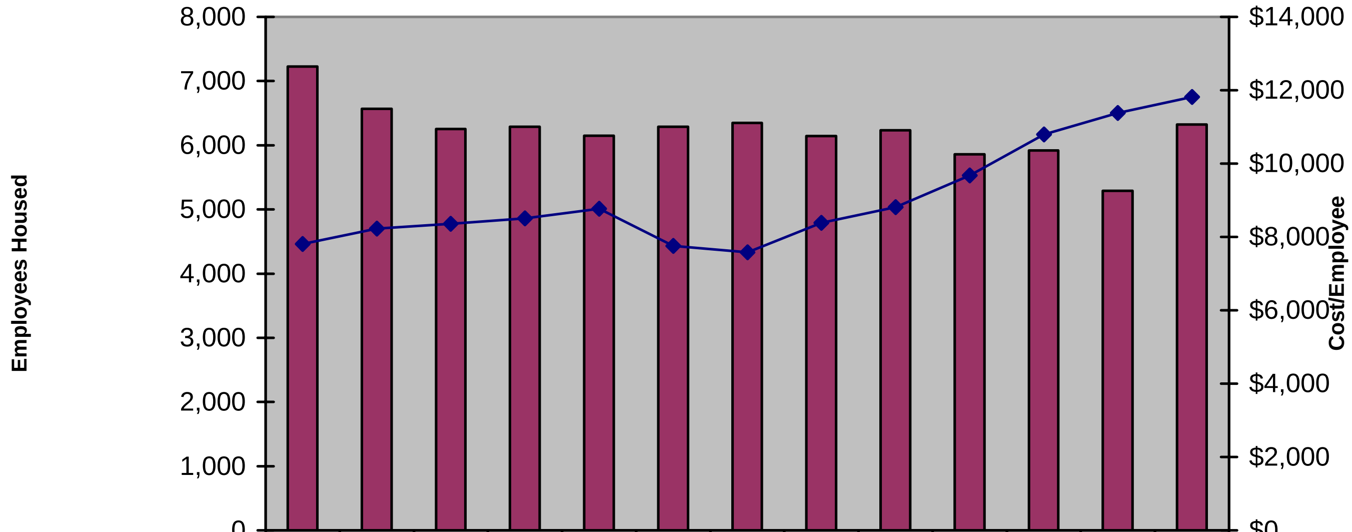
Building Occupancy Business Balanced Scorecard Objectives

	Customer	
	Improve customer satisfaction.	
Financial		***Internal Processes***
Reduce cost per person.		Operate and maintain equipment and systems in a manner that will provide for orderly operations of the Department, be environmentally responsible, and ensure preservation of the Government's real property assets.
	Learning and Growth	
	Improve knowledge, skills and abilities of Business Line staff in support of business systems and Business Line mission.	

Business Line Trends

The Fund was created during a period of Headquarters downsizing. The number of Federal and contractor employees housed in FY 2008 was approximately 900 lower than in FY 1996. (See bars on the graph below). During the early years of the Fund, the cost per employee housed tended to increase, but this trend was reversed during FY 2001 and lowered further in FY 2002. As a result, the nominal space cost per employee in FY 2002 was below the FY 1996 level by over $200/employee. With the acquisition and occupancy of approximately 74,000 sq. ft. of leased space at 955 L'Enfant Plaza by NNSA in FY 2003 and 18,048 sq. ft. by EH in FY 2004, the trend has reversed again, and continued to increase in FY 2008. However, since FY 2004 actual space used has been constant and the growth in cost/employee is largely related to inflationary factors.

Building Occupancy Trends



	FY96	FY97	FY98	FY99	FY00	FY2001	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Employees Housed	7,226	6,567	6,252	6,286	6,149	6,290	6,347	6,143	6,233	5,860	5,920	5,292	6,321
Cost/Employee	$7,809	$8,225	$8,361	$8,509	$8,771	$7,757	$7,584	$8,388	$8,808	$9,680	$10,79	11,381	11,817

80% of the Building Occupancy Business Line staff was subject to competitive sourcing. A final decision selecting the Contractor was made in FY 2006. A four month transition period ended on August 31, 2006, and full performance began September 1, 2006. The impact of the contractor effort has been closely monitored throughout FY 2008. Cost increases have occurred.

The table below displays selected metrics for the Building Occupancy Business Line. It indicates that the overall area occupied by Headquarters peaked in FY 1996 and decreased through FY 2002. The vacancy rate has decreased to 0.5% and the number of accidents and injuries continues to decline.

Building Occupancy Business Line Metrics

Metric	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Total Foot sq (thousands)	2,319	2,319	2,319	2,307	2,381	2,399	2,381	2,358	2,358	2,358
Employees Housed	6,286	6,149	6,290	6,347	6,143	6,233	5,860	5,920	5,292	6,321
Cost/Foot sq (owned)	$23.11	$23.19	$20.13	$20.03	$20.21	$21.71	$22.72	$25.54	$24.36	$26.79
Cost/Foot sq (Leased)	$22.85	$23.85	$27.50	$26.94	$29.85	$29.77	$30.20	$31.28	$32.81	$31.72
Cost/Person	$8,509	$8,771	$7,757	$7,584	$8,388	$8,808	$9,682	$10,798	$11,381	$11,817
Vacancy Rate	1.82%	1.75%	0.37%	0.20%	0.11%	0.40%	1.64%	1.81%	0.05%	0.04%
Rent (in $000's)	$53,489	$53,933	$49,077	$48,134	$51,525	$54,900	$56,739	$57,048	$60,227	$62,059
Accidents/ Injuries	69	59	57	49	46	40	29	32	28	25
Foot sq/ Employee	369	377	369	364	388	385	407	408	445	372

FY 2008 Financial Overview

The **Building Occupancy** business line earned $1,225,589 net profit. This is due to inadequate accrual processing. Once this adjustment is made, the business earned $80 k. We do not recommend a change in pricing policy at this time. Electronic services which is collected in this business line, earned an additional $158,937 profit related to delayed procurement of digital equipment. Related costs will be incurred during FY 2009.

Business Line Plans and Anticipated Issues

EIA consolidated from 950 L' Enfant Plaza into the Forrestal Building in FY 2007. EE took over the space that EIA vacated. IN will begin moving to Tysons Corner beginning December 2008. NNSA is consolidating space at Forrestal. CF/EM/SC/OE organizations are projecting growths. We are coordinating requirements and awaiting direction and guidance from transition. Overall, this is expected to increase the average cost per square foot and per employee in the Headquarters complex in FY 2008.

Business Line Manager

Michael E. Shincovich, Manager 202-586-1557

Telephone Business Line

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1998-2008 *(millions)*
$ 9.4	**$ 15.2**	**-$ 5.8**	**-$ 12.0**

FY 2008 Achievements

Voice Operations:

- Continued to support the Sprinkler System Project at Forrestal. Every 10-12 weeks a group of approximately 225 DOE personnel from the Forrestal building are relocated to designated swing spaces in 950 L'Enfant. In support of this we reroute their main extensions to 950 L'Enfant until the sprinkler work is completed. After completion we reroute their extensions back to Forrestal.

- Completed a voice and data infrastructure build-out of unoccupied office space at the Cloverleaf office building, which included the installation of 132 Category 6 cables throughout 30 offices.

- Completed a fiber infrastructure upgrade between the GTN Data Center and the 1st Floor C&D wings in support of Office of Science LAN expansion efforts.

- Completed a voice and data cable infrastructure overhaul/redesign of COOP conference room A453 in GTN.

Telephone Switch upgrade underway. Current status is as follows:

Commissioning is in progress.

- Germantown commissioning is at approximately 93%
- Forrestal commissioning is at approximately 98%
- 955 L'Enfant commissioning is at approximately 90%
- Corp. 270 commissioning is at approximately 93%

FTS 2001/Networx Operations:

- Throughout FY 2008 concentrated activities were expended on the transitioning of FTS2001 services including Long Distance, International Calling, Calling Cards, Conferencing, Toll Free, and Data circuits to the Networx contract. The CIO team provided full life cycle order provisioning of FTS services to HQ and field site locations. There have been a total of 1348 (includes field sites) service orders processed for moves, adds, disconnects, and changes year to date for FY08. Additionally, 250 Satellite Phones and SIM cards were ordered from DISA.

- The GSA September 30, 2008 deadline was met to complete the Networx Fair Opportunity Process and qualify transition reimbursement credits on July 2, 2008; and in accordance with the GSA Taxonomy Guidelines. The CIO team managed the implementation of the Fair Opportunity Process and vendor selections to satisfy FAR Regulations and DOE procurement requirement to transition more than 8.2 million dollars in services to the Networx contract. Working closely with DOE procurement, 4 RFQ's were released (Universal, Enterprise, DOEnet, and PNR MPLS network) and 17 proposals were reviewed for "best value" awards to Networx vendors.

- Activities will continue into FY 2009 to implement and monitor the DOE Networx Transition Plan pre and post vendor award activities. FTS2001 and Crossover 'scrubbed' inventory (750K plus line items were validated in the GSA Transition Baseline Inventory [TBI] tool) covering 25 control sites and 62 sub-site field site locations, for distribution and final verification of desired inventory for transition to the Networx contract. These services included, Private Line DTS, Access switched and dedicated, VON, Voice, Toll Free, calling cards, IP Services (Managed and Unmanaged, MPLS, access), Ethernet, Frame Relay, and two major Networks (DOEnet and Naval Reactors).

- An appeal was submitted to GSA for approval and acceptance to allow a "new type" of service (2-1GIGe circuits) to be added to the HQ baseline of services during a restricted transition period. After approval and order submission, the CIO team requested escalation on the service implementation of the Gige circuits supporting the project.

- 90 GETS requests were processed for EIA in support of the NA-40 COOP project (using NA-1 and S-1 GETS Dialogic list; compared existing GETS to tag with assigned acronyms CP), assigned cards to the Watch Office access for Special Routing Arrangement Service (SRAS). Fiscal year activities, service and request volumes indicate a growing support of the importance of the GETS & WPS program.

Switchboard:

	Total Conference Calls	**Completed Conference Calls**	**Denied Conference Calls**	**International Conference Calls**	**Cancelled Conference Calls**
Total Number of Calls	30,961	29,538	653	836	769
Total Number of Conferees	363,920	346,283	8,462	N/A	9,169

Background

Since the inception of the WCF in 1997, this business has provided reliable telephone services in support of DOE programmatic missions. It provides telephone service for approximately 14,000 phone lines in use at the Department's Headquarters facilities in Washington, D.C. and Germantown, Maryland. The telephone system infrastructure is composed of two, large Northern Telecom MSL100

PBX's (one for each headquarters building), two Remote Switching Centers (RSC), Option 61c PBX, Octel 350 Voice Mail System, Octel 250 Voice Mail System, and includes local, long distance, and international dialing provided through the headquarters telephone system. It also includes specialized services such as:

- Operator-assisted calls (including large audio conference calls)
- Voice mail, three-way calling, call forwarding, 800 telephone services, custom calling cards for domestic and international calling
- Video conference calling at variable speeds
- Technical personnel to install repair and operate the system
- Support personnel to administer service order implementation, billing, and charge back processes required to process the DOE HQ's user organizations service needs

Headquarters telephone system infrastructure facilities and access to the Washington Metropolitan Area local telephone exchanges is provided by Verizon Communications under the GSA WITS2001 contract, which became effective on October 1, 2000. Domestic long distance calling services and video conferencing services are provided by MCI under the GSA FTS2001 contract. AT&T provides FTS, International calling services and calling card services (domestic and international) under the GSA "Crossover" contract. Contractor personnel provide technical and administrative support for these services.

Defining Success

Customer satisfaction is one of our key goals. The small number of user complaints and the following telephone service statistics indicate that we are meeting our goals:

- Telephone reliability of 99.8%
- Not more than 35 outbound calls blocked per 10,000 calls placed

Reliable telephone service is a critical element in each DOE organization's ability to successfully fulfill its mission. The DOE has improved Internet Protocol (IP) access for our remote and HQ complex users by implementing diverse IP services with AT&T, Verizon/MCI, and Sprint. This action has improved remote connectivity from all communities that our DOE users call from and also improved reliability of access at HQ. Defining and satisfying user requirements in a timely manner are our major objective.

Business Line Trends

Telephone service technology changes will continue at a rapid rate as Internet Protocol (IP) technology and broadband facility management provides for bundling of telephone, data and video services to achieve an overall lower cost and better utilization of available telephone facilities.

The telephone system is maintained at a service and equipment availability level to accommodate changing program requirements. Plans for upgrading existing equipment and implementing new technology ensures continuous and reliable telephone service to Headquarters users. Ongoing maintenance has extended the useful life of capital equipment through FY 2009.

Open Federal Telephone System (GSA) recommendations and disputes

The FTS/Traffic Analysis Team continues to analyze the level of traffic flow at the Department of Energy and to make monthly recommendations to adjust infrastructure trunking accordingly.

Future recommendations will include the possible removal of an excess of MCI FTS T1's at both GTN and FORS facilities. Additionally, the FTS billing team continues to research vendor billing discrepancies. Multiple billing disputes are pending and corrective action with the carriers is currently underway.

Telephone Usage

Telephone usage in millions of calls per year is shown in the below table. Please note the decline of local phone calls. This is due to increase use of wireless devices and a period where calls at L'Enfant Plaza were not counted.

Millions of calls/year	FY2004	FY2005	FY2006	FY2007	FY2008
Local	4.1	4.3	2.9	2.5	2.7
FTS2000/FTS2001	2.1	2.5	2.4	2.2	1.5
Internal (PBX)	26.6	27.1	19.3	17.9	19.0

Electronic Devices in Use						
	FY03	**FY04**	**FY05**	**FY06**	**FY07**	**FY08**
Wireless Phones/Blackberries	1266	1311	1307	2194	1776	2213
Pagers	1850	1455	1371	1150	798	643

Demand for Voice Service Actions continues to be strong as presented in the table below.

	FORRESTAL		**GERMANTOWN**
Voice Req.	**2103**		**1242**
Adds	**1521**		**641**
Moves	**1454**		**1018**
Changes	**2792**		**1069**
Disconnects	**1039**		**586**
Feature Changes	**1517**		**372**
Help Desk Calls	**4666**		**4090**
Total	**12989**		**7776**

FY 2008 Financial Overview

The **Telephone** business line earned -$5,838,754 due to increased infrastructure costs ($1.0 million) and the equipment upgrade ($4.8 million) to replace analog phone switches with digital phone switches. The capital we used for this purchase was the residual cash earned from billing customers for annual depreciation over the past several years. This is a one-time purchase that was approved by the WCF Board. We believe that digital equipment will have a significant impact on cost, including other infrastructure costs, in the future. At this time we are not proposing a change in the pricing policy until we can evaluate the impact on future savings.

Business Line Plans

The current MSL 17 software release will be fully supported through FY 2009. The business line is upgrading the two MSL-100 Telephone Switches to two Nortel CS2100's in FY09. If this effort should be deferred until after FY 2009, the phone system will require significant upgrades at high cost to the DOE.

Business Line Manager

Judy Saylor, 301-903-4999

WORKING CAPITAL FUND
U.S. DEPARTMENT OF ENERGY

Network Business Line

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
$ 5.8	$ 6.7	-$ 0.9	$ 5.3

FY 2008 Achievements

Overall performance for fiscal year 2008 exceeded targets. Significant accomplishments are included the continuing improvements in all areas of management and operations of DOE's networks. We continue to strive to refine our performance goals and improve the tools used to measure our achievement.

Summary Performance vs. Objectives

Business Line	SLA Objective Availability	Attainment
HQ Network Infrastructure	99.5% (Per Task Order)	99.96%
Internet Service	99.0% (Per Task Order)	99.99%
DOEnet Circuits	99.5% (Per FTS2001)	99.91%

Accomplishments by Business Line:

Daily, Weekly and Monthly Headquarters Network Performance Reports are produced in support of all networking services. Tivoli NetView and Concord's E-Health are used to collect and report the network statistics. These reports are generated and serve as support for SLA documentation.

Network Management Accomplishments

- Network Operations monitored all OCIO maintained Network Devices and Network Services, 24 hours/day X 7 days a week, utilizing Tivoli NetView, Concord, Attention! Notification System and CiscoWorks network management tools.
- Completed all documentation requirements in support of the Network Certification & Accreditation (C&A).
- Generated an updated system inventory for all network devices managed by OCIO and developed a process to proactively manage/troubleshoot and schedule these devices for IOS and CatOS upgrades to the latest available version.

Network Infrastructure Accomplishments:

- Successfully provided network project planning and implementation activities to support the relocation of program offices for all planned phases of the Department's Sprinkler Project to include customer requirements, configuration design and implementation activities, and ongoing customer support.
- Supported and implemented all approved DNS and DHCP requests.

- Supported DOE participation in the 2008 Continuity of Operations Program Exercise, successfully testing the agency's ability to coordinate, develop and implement continuity of staff to alternate operating facilities in the event of an emergency in Washington D.C.
- Successfully supported the AHE annual disaster recovery (DR) exercises.
- Successfully provided network services in support of HQ and Field projects and initiatives - IM-30 Initiatives, Thin Client, DOECOE, Treasury (Chief Financial Office), eOPF (Human Capital Development), Office of Science Switch Upgrade, WAN Acceleration Pilot, Application Hosting Environment Disaster Recovery Exercises, Office of Energy Efficiency Video Project (Tandberg), HSPD-12, HQ ESnet Connection, Visitor Management System (Office of Security), STRIPES Project.
- Successfully met all identified milestones in support of the DOE Enterprise Network (wide area network), DOEnet, transition to Networx, and provided technical support on the transition of all other telecommunications services to Networx.
- Successfully deployed network services over DOEnet in support of the Idaho Operations Office, Legacy Management Office (Morgantown), Office of Civilian Radioactive Waste Management (OCRWM - Yucca Mountain), the Nevada Site Office, Richland Operations Office Local Area Network (ROLAN).
- Developed all project documentation in support of the Headquarters Network Refresh Project.
- Provided project support and network documentation in the planning, design and implementation activities for the highly visible Trusted Internet Connections Project.
- Successfully met all required operational milestones in support of IPv6 implementation. Demonstrated successful reach-ability from network infrastructure components at ESC-West and ESC-East to EIA at Forrestal. In support of this activity and the larger OMB IPv6 requirements, the network team has deployed three Linux servers running IPv6 in addition to two IPv6 native platforms – a Cisco 7201 router and a Cisco ASA 5520 firewall. A series of topology diagrams were developed to document the changes made throughout the environment that now provides an IPv6 enclave at DOE HQ to interconnect with the dual-stack IPv4/IPv6 DOEnet WAN backbone.
- Successfully updated the DOEnet routers and ASA's IOS firmware and configurations. These actions continue to address vulnerabilities and improve troubleshooting capabilities.
- Implemented test site to site VPN connection with Nortel for downloading of code updates for the new voice switch.
- Provided support for 3,187 VPN Users through WebVPN, SSL VPN, and IPSEC capabilities.
- Provided support for 11 Site to Site connections to support proprietary connections.
- Installed latest release of vendor code for all Cisco ASA remote connection devices, including the WebVPN concentrators and the Firewall that supports VPN connectivity.
- Reviewed and updated the OCIO Remote Access web page content, including latest client installation and usage documentation.
- Provided monthly statistical reporting for Remote Access devices.

Virus Protection Program Accomplishments

- 5,981,827 malicious software encounters were analyzed.

- 248,719 Host Based Intrusion Prevention system identified and prevented the execution 117,608 unauthorized applications.
- Decontamination incidents were resolved on 251 systems.
- 6,400 systems, including over 300 servers, were managed with McAfee ePolicy Orchestrator (ePO).
- The team continues to refine policies associated with the McAfee TOPS applications, including anti-virus, anti-spyware, and host-based intrusion protection system (HIPS, including behavior blocker and firewall).

Desktop Accomplishments

- Provided off-site support for DOE's National Science Bowl.

Background

This business line provides network connectivity service for approximately 8,000 users in the Department's Headquarters facilities in Washington, D.C. and in Germantown, Maryland, enabling 100+ organizational LAN segments to interoperate across the MAN which spans 13+ offices in the Washington D.C. metropolitan area. In addition, the LAN interfaces with the Department's WAN providing service and communications links to 40 + field sites, other government agencies and public/private business partners.

The business line also provides Internet connectivity for a majority of DOE HQ customers. It includes services such as:

- Installations, moves, and changes of Network connection and infrastructure components
- Installation and management of the Network circuits connecting the DOE "campus" facilities
- Domain Name Service (DNS) management and maintenance
- Technical personnel to install, manage, and maintain the network infrastructure
- Hardware and software maintenance for all network infrastructure components

In addition, other desktop functions include:

  - Managing malware protection software on workstations and servers.
  - Investigating and controlling computer viruses and other malicious attacks.
  - Decontaminating unclassified systems that have accidentally been contaminated with classified data.

Defining Success

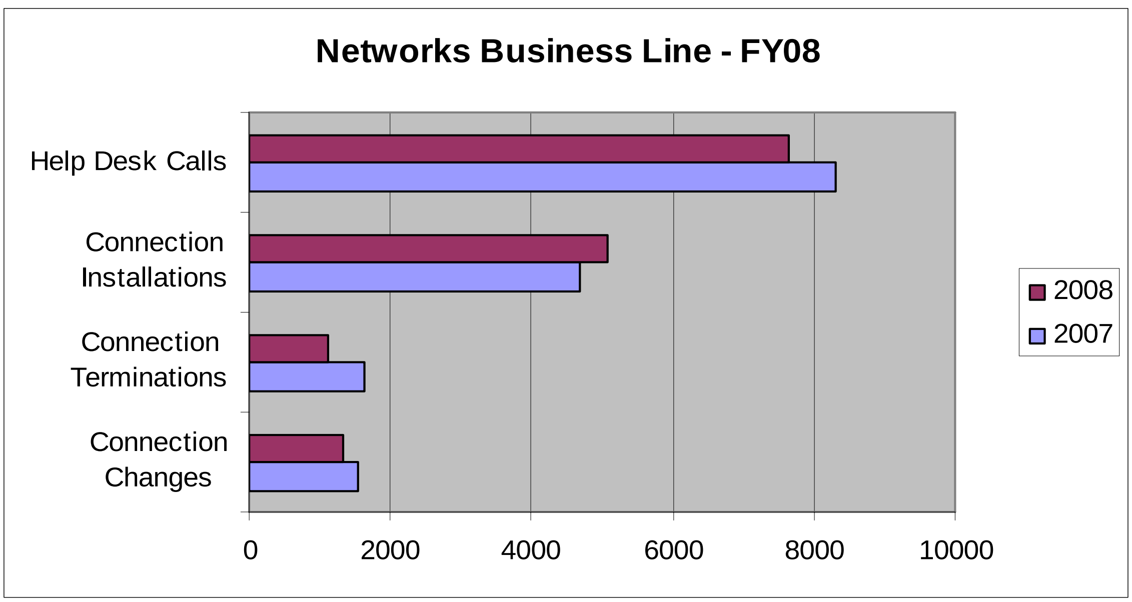
Network services are a critical element in the ability of all DOE organizations to successfully carry out their missions. The Headquarters network services organization success is measured by our ability to define and provide user service requirements in a time frame that meets their needs and to maintain a reliable service to meet those needs. Network performance statistics provide the key measure of the success of the networking services group. Concord was replaced with the more cost effective DMC functional replacement described above May 2008.

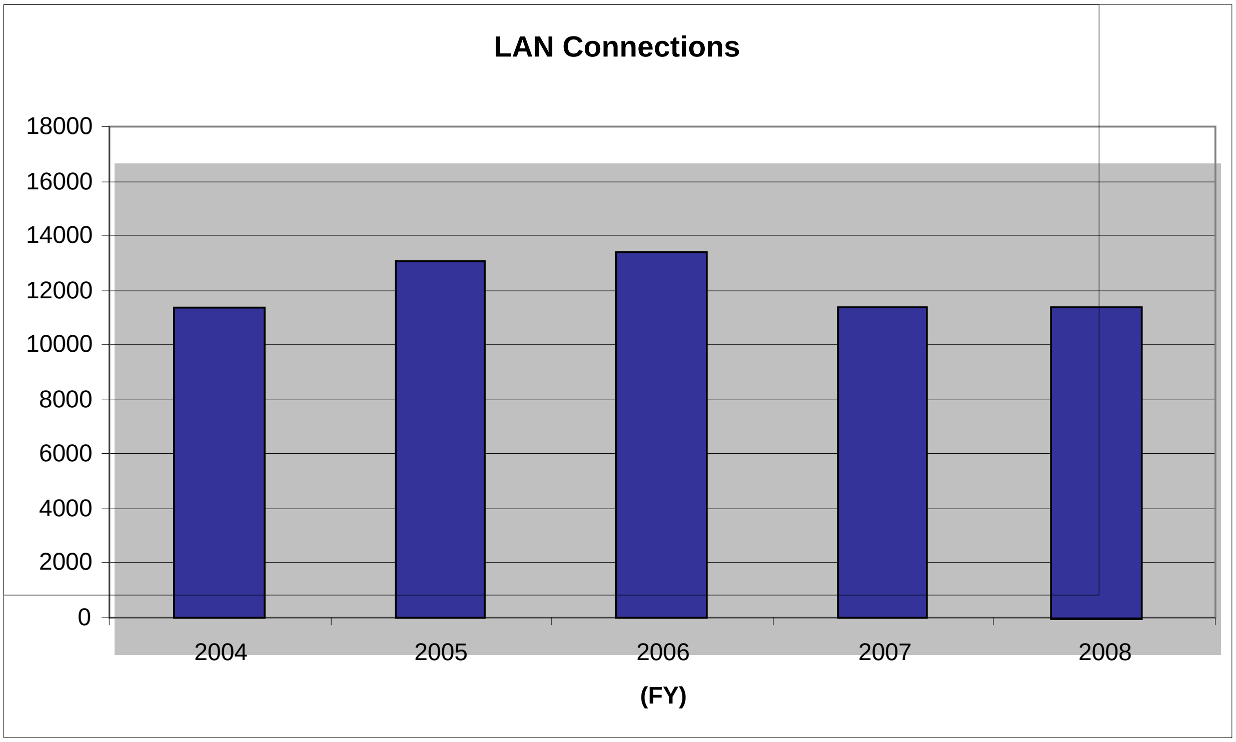
Network Connectivity is a measure of availability, latency, and reachability of all headquarters router and switch devices over time. Each device carries a weighted factor based on the number of end users supported relative to total users at Headquarters. We continue to refine our measurement capability and will, over time be able to provide more granular and customer specific data. Connectivity does not attempt to measure or consider anything other than network infrastructure devices (i.e. server and/or application availability are not in the calculation). HQ Network Performance Reports (Daily, Weekly, and Monthly) are posted on the CIO-Ops Web Site at: http://cio-ops.doe.gov/standup/stu_reports.cfm

IPSec/SSL/Web VPN statistics at DOE Headquarters from Sep 01, 2007 through Aug 31, 2008	
IPSec/SSL VPN Sessions	47,711
WebVPN Sessions	110,068
Total VPN Sessions	**157,779**
IPSec/SSL VPN Total Time (Min)	5,314,574
WebVPN Total Time (Min)	10,561,119
Total VPN time (Min)	**15,875,693**

Customer satisfaction is measured by: personal contact with critical customers, help desk feedback on completed trouble tickets, and by direct feedback from users in the form of complaints. Customer satisfaction, measured by these methods, is judged to be very high.

During FY 2008, the Network business line staff responded to the following **service calls**:





Network connections remained consistent through FY 2008 with minimal fluctuation. The number of VPN users has continued to grow over the past year. The ESC Network Operations supported in excess of 5000 tickets during the fiscal year directly related to remote access services.

Financial Performance Overview

The **Network** business line earned -$891,283 due to a one-time rebate of $1 million that was provided to customers from the excess capital maintained by the business in its retained earnings. In addition the business experienced increased costs related to infrastructure ($450 k) offset by a prior year credit ($341 k). There is no need to change the pricing policy.

Business Line Trends

This business line provides network connectivity service supporting approximately 8,000 users with more than 16,000 network connections. It has upgraded and modernized the network infrastructure to respond to growing customer requirements. The growth of technology, particularly IP-based services (including voice and video), will continue for the foreseeable future.

Workload requirements for the **Virus Protection Plan** continue to increase due to escalated emphasis on cyber security, increased usage of various desktop and server protection tools, and increased targeted attacks by hackers and external elements. Events over the past year have required increased forensics and response capabilities, requiring expanded expertise. Cyber security attacks are expected to increase in volume and sophistication. In return, additional tools and resources will be put in place, requiring monitoring, analysis, and incident response. Encase Enterprise was deployed in FY08, and McAfee management was expanded to include other DOE sites. With continued consolidation of host-based cyber security under the Virus Protection Plan, the number of managed systems is increasing and will continue to increase, with an associated elevation in the number of actionable alerts, responses, and incidents. During FY 08 the Virus Protection Plan began to absorb all decontamination efforts for NNSA

Applix Support: All Headquarters Program Offices DOE-Wide to include Field Sites utilize Applix, which equates to approximately 793 reps with active Applix Id's. Program Offices utilize the Applix application for various functions, including Help Desk, Asset Management, Training, Meet Me Conferencing, Video Conferencing, Configuration Change Management, SLA Metric Measuring and Reporting, Project Tracking, Working Capital Fund and Building Operations, integration with Tivoli, DOEInfo and Sunflower applications. In support of the organizations and the applications they utilize, this support provides client software installation, training, data migration, escalation/notification configuration and on-site support. Additionally, maintenance of the Outlook Mail Box is used for notifications and staff of the Applix Enterprise Help Desk Function (phone and desk side support).

Total Calls Handled by the ESC Service Desk (includes Platinum Support): 76,570 Total Calls Handled by the Office of Science: 5,319 Total Calls Handled by STRIPES Support: 1,776 Total Calls Handled by the I-Manage Support Team: 4,868
Total Calls Handled through the Helpdesk switch number for FY08 = 88,533.

Business Line Plans

The Network business line is growing primarily due to new services offered to existing users. New services include desktop IP video conferencing that will be done over the network, i.e., the LAN; DHCP; improved Internet connectivity; and upgrading existing hardware to permit faster throughput for network users. A five-year plan for the convergence of data, voice, and possibly video networks is being developed as a coordinated effort between the Network and Telephone Business Lines. Several major efforts in progress that include a 5-year Data Network Hardware refresh and transition of DOEnet (Wide Area Network) to Networx (from the primary carrier as Sprint to Verizon). The DOEnet Networx transition should result in costs savings delivered to the customer over the FY post completion of the implementation.

The business will continue to evaluate the cost of DOEnet and other services and when warranted reduce costs of service or increase the level of service to meet changes in customer needs and to implement appropriate new technology.

Business Line Manager

Judy Saylor 301-903-4999

Procurement Management Business Line

FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1998-2008 *(millions)*
$ 0.8	$1.0	-$ 0.2	$ 0.5

FY 2008 Achievements

- Reduced the number of over-aged instruments by 11% which exceeded our target.
- Returned $5.4 million of deobligated balances to the Department.
- Data mining expanded to all DOE purchase card transactions
- Began mining fleet card transactions

Background

The closeout process assures that all terms and conditions of the instrument have been fulfilled, all financial information has been submitted and evaluated, final payment has been made, any remaining funds have been deobligated, and the instrument is administratively retired from the Procurement Automated Data System (PADS), the Stand Alone Action & Report Tracking (START) system or the Strategic Integrated Procurement Enterprise System (STRIPES). The retired instrument is boxed and stored locally or shipped to a federal storage facility. Instrument types include purchase and delivery orders, firm fixed price contracts, interagency agreements, financial assistance, time and materials/labor hours and cost reimbursement contracts.

Defining Success

Retiring targeted instruments and returning unutilized funding balances to the Department.

Contract Closeout Business Balanced Scorecard Objectives

	Customer	
	Provide competent and accurate closeout of targeted instruments.	
Financial		***Internal Processes***
Improve the availability of funding to programs.		Improve contract closeout to accommodate changing contract types.
	Learning and Growth	
	Improve knowledge, skills, and abilities of staff and improve business systems that support the business line.	

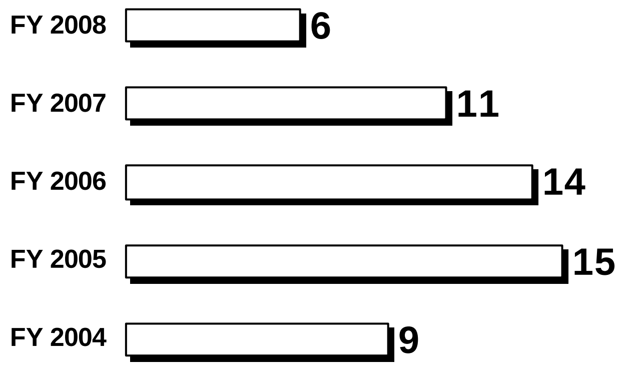
Business Line Projections

The inventory of Headquarters contracts, financial assistance instruments, and interagency agreements awaiting closeout has experienced a steadily decreasing trend during the 11 years that this activity has been a Working Capital Fund business. The inventory has decreased from 2,729 instruments in FY 1996 to 945 instruments by the end of FY 2008. During this 11 year span, the Procurement Management business line retired 13,167 instruments. With this reduction in the backlog of expired instruments, the Procurement Management business line is operating with a manageable inventory, as a result of customer/supplier cooperation.

Noteworthy is the business line's success in retiring overage instruments. For FY 2008, the Procurement Management business line achieved an 11% reduction in its universe of overage instruments, where *overage* is defined in the acquisition regulations. At the beginning of FY 2008, the overage universe stood at 73 instruments (contracts, grants, cooperative agreements, interagency agreements, and purchase and delivery orders). The number of overage instruments as of September 30, 2008 totaled 64, a net reduction of 9 overage instruments since October 1, 2007. The universe of instruments decreased from 1,057 to 945 as of October 1, 2008.

In FY 2008, the business line activity resulted in a total of $5.4 million of contract deobligations. This returns spending authority to mission programs to apply to high priority needs. As shown in the following chart, there was $6 in deobligations for each $1 in costs.

Contract Closeout Return on Investment



Financial Overview

The Procurement Management business line earned -$227,046 net income due to closeout deferrals requested by programs and the shift from high rated closeouts to lower rated closeouts (-$369 k). This loss was offset in part by reduced spending in purchase card surveillance ($142 k).

Business Line Manager

Aleta Boylan Aleta.boylan@hq.doe.gov (202) 287-1608

WORKING CAPITAL FUND
U.S. DEPARTMENT OF ENERGY

Payroll Business Line
FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
$ 2.5	$ 1.7	$ 0.7	$ 2.8

FY 2008 Achievements

- Implemented a help desk to receive, log, track and respond to phone calls and e-mail messages requesting customer service.
- Implemented 3 upgrades to ATAAPS which improved the effectiveness and efficiency of time and attendance data collection.
- Initiated use of business line funding to advance pay SEET benefits from the Department of Transportation, thereby freeing up appropriated funding.
- Sustained 100% on time delivery of employee paychecks.
- 99% of paychecks delivered through electronic funds transfer.

Background

The Payroll Business Line was added to the Fund in FY 1998 to finance the preparation of the biweekly payroll for approximately 12,000 Department of Energy civilian employees.

While the payroll functions were transferred to DFAS in 2003, the Payroll Business Line will continue to be engaged in:

- sustaining and enhancing the IT infrastructure that supports time and attendance data collection,
- performing the payroll customer service functions,
- performing the payroll accounting, and
- working with DFAS to resolve open issues and enhance systems and process.

Business Line Trends

With regard to the timeliness of the payroll process, the Payroll Business Line successfully performed at a 100% performance level as in the previous five years. As noted above, the most noteworthy accomplishment in fiscal year 2008 was the implementation of a help desk to assist with answering and tracking customer inquiries.

Defining Success

Delivering accurate employee paychecks on time is considered one of the most essential services offered for the Department, and the business line seeks to achieve this success at the lowest possible cost. The Balanced Scorecard objectives in the Payroll 5-year business plan follow:

Payroll Business Balanced Scorecard Objectives

	Customer Ensure that all employees are paid accurately and in a timely manner, and that supervisors and managers receive value-added reports	
Financial Use the DOE financial systems and other payroll information to improve program spending controls.		***Internal Processes*** Evaluate and/or reengineer policies, procedures, and business practices to complement the DOE's system modernization initiative.
	Learning and Growth Develop and implement strategies to deploy technology and training to employees, administrative staff, and supervisors, so that they become integral partners in enhancing the payroll processes.	

FY 2008 Financial Overview

The **Payroll** business line earned $748,754 net income due to lower than expected charges from DFAS.

Business Line Manager

Jerry Odegard, Payroll Team, Energy Finance and Accounting Service Center 301-903-4934
jerry.odegard@hq.doe.gov

WORKING CAPITAL FUND
U.S. DEPARTMENT OF ENERGY

CHRIS Business Line
FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 2002-08 *(millions)*
$ 2.2	$ 2.1	$ 0.1	$ 2.0

FY 2008Achievements

- Completed two intermediate upgrades to PeopleSoft 8.8 to improve productivity and functionality to meet changing OPM requirements.
- Performed the annual update to the Cyber Security Certification and Accreditation for CHRIS PeopleSoft, Employee Self Service (ESS) and Hiring Management subsystems.
- Completed over 95% of recruitment actions nation-wide by automated system support.
- Completed enhancements to the newly implemented electronic Federal Employee Health Benefits (FEHB) Open Season elections process in ESS. The 2008 FEHB open seasons elections were electronically processed and delivered to the OPM data hub in December 2007.
- Developed enhancements to the notification and tracking system for General Counsel (GC) Standards of Conduct.
- Completed DOE's transition from paper to electronic SF-50s via eOPF. Made progress in designing and implementing SF-50 electronic signatures.
- Began upgrades to Monster Solutions, Hiring Management including analytic tools for the hiring managers and form facsimile options for applicants.
- Improved the voluntary customer satisfaction survey in ESS for employees to provide instant feedback after using various CHRIS subsystems.
- Completed analysis of CHRIS PeopleSoft software Personably Identifiable Information (PII) requirements compliance and completed initial improvements that help prevent an incidence from occurring.
- Improved the transportation subsidy application known as SEET by establishing an electronic annual benefit recertification process and establishing an electronic enrollment process to the DC Metropolitan Transit Benefit Program (known as SmartBenefits).
- Improved the training administration workflow by implementing a new training request interface, tracking new data for the Electronic Human Resource Interface (EHRI), and designing a new electronic training evaluation form.
- Improved the SES Talent Profile data repository and reporting system by adding a search engine and establishing an annual recertification process.
- Completed the 2008 FEHB Open Season selections and over 800 enrollment changes made through ESS and developed an online help tutorial to assist customers.
- Implemented the NNSA Pay Banding Demonstration Project and converted over 2000 employees to the new pay schedule with new pay codes and titles. This significant effort allows NNSA to: (1) Test the effectiveness of multi-grade pay bands in recruiting,

advancing and retaining employees (2) reduce the processing time and paperwork traditionally associated with classifying positions at multiple grade levels, and (3) apply meaningful distinctions in level of performance to annual pay increases and bonuses.

- Continuously reviewed and adjusted software development processes using the CMMI model to create mature and sustainable processes.
- Completed 10,688 mass pay actions and 6,345 mass awards and 5,538 mass performance ratings from October 1- September 30, 2008.
- Completed 55 mass reorganization actions.
- Revised the CHRIS HR Users' Manual
- Responded to 1,489 customer emails and phone calls to the HR Hotline and 6,124 emails and phone calls to the ESS Help Desk.
- Processed 29,534 ESS personal data transactions and 141,264 leave requests

Background

The Corporate Human Resource Information Systems (CHRIS) is a portfolio of nation-wide operational systems within the Department of Energy that serves as the official system of record for human resource management information for all DOE employees. CHRIS has been operational since September 1998 and continues to evolve as the corporate solution for many strategic and operational human capital management issues. The CHRIS project supports the Administration's strategic human capital management initiative and expands e-government within DOE. The CHRIS enterprise solution combines the highly skilled professionals of the Department with electronic workflow and other best practices in work processes with a web-based IT architecture and suite of software applications. The solution is a hybrid based on best of breed, commercial, off-the-shelf (COTS) products, including PeopleSoft 8.8, Monster Solutions' Hiring Management and other web-based software applications.

The CHRIS project has continuously improved over the years using an integrated modernization approach to meet human resource, training administration and information processing requirements. All systems under the CHRIS umbrella were improved in FY08, and totally new functionality such as the NNSA Pay Banding Demonstration Project, was implemented.

CHRIS is a mixed life-cycle portfolio. The project core is in operations and maintenance mode while new or improved functionality is going through the development phase of the project life-cycle. System activities also under the CHRIS umbrella include those involving PeopleSoft to support personnel and training processing and information, the Employee Self-Service (ESS), which provides web-based access at the employee desktop to personnel and payroll information and the capability to update certain personal information and Hiring Management, the automated recruitment system, formerly known as QuickHire, to provide electronic processing and assessment of applications and resumes. CHRIS umbrella activities also include interfaces with the DFAS payroll system, DOEInfo, the Department's data repository for human resource and payroll information and STARS, the Department's Standard Accounting and Reporting System. Additionally, Hiring Management application interfaces with OPM's Recruitment One Stop system as part of the e-government initiatives.

The CHRIS Project Staff members continue to serve on the HR Line of Business Task Forces for which OPM is the implementing partner. Through participation, we are able to keep up with and influence the direction of the Line of Business. OPM has formed a Multi-Agency Executive Steering Committee to move the project forward and DOE representatives serve on the committee.

Business Planning:

There is a government-wide review of HR systems and services to consolidate those services in a small number of shared service providers known as HR Line of Business or HRLOB. This is similar to the effort in federal pay services and the Financial Management Line of Business. DOE has proposed funding in its current iManage OMB Exhibit 53 for planning the transition to a shared service center or other source in FY 2009 and for transition in FY 2011 or later. The CHRIS project staff will investigate the further progression of the PeopleSoft software in comparison with the transition to a shared services provider and make a business decision based upon the cost and merits of both.

Defining Success

The goals of the CHRIS Systems are to provide the highest quality human resource management information and services to the Department of Energy's managers, employees and human resource/training professionals to support sound human resource management decisions and to operate the official HRM system of record in a cost-efficient manner.

To achieve these goals, the Department's primary objectives for CHRIS are to:

- provide superior customer service through strong teamwork, effective problem solving and timely responses
- protect the integrity and security of the HRM data
- enhance operational efficiencies
- reduce paperwork
- support the elimination of redundant information systems, and
- eliminate non-value added work

Specific Performance Metrics for FY 2008:

- Use the automated recruitment system based on Hiring Management for at least 85% of all actions. (Actual 95%)

- At least 95% of all offices have access to electronic workflow functionality. (Actual 100%)

- Maintain a system uptime during prime working hours that exceeds 98% for all major subsystems of CHRIS. (Actual 99.7 %)

Financial Overview

The CHRIS business line earned $81,341 net operating profit. The business is retaining revenue to offset a potential capital requirement for transferring to a "line of business" service provider.

Business Line Manager

Robert K Briede 202-586-7475

Corporate Training Services Business Line

FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 2002/8 *(millions)*
$0.4	$ 0.2	$ 0.2	$ 0.3

FY 2008 Achievements

Training Delivery Services

- Delivered 123 training courses in FY-08 from the master Professional Skills and Technical Training Program. These sessions provided training to 2,017 Department of Energy (DOE) employees located both in the field and at headquarters.
- Introduced a Leadership Speaker Series that has become a part of the Training Delivery Services (TDS).
- Successfully delivered sessions of Writing Executive CORE Qualifications for DOE managers as part of the TDS using an interagency agreement with the Office of Personnel Management (OPM).

Online Learning Center^2

- Supported the Secretary of Energy Task Force by creating and deploying *the Personnel Security Awareness Briefing* training course in the OLC^2 – 4523 completions.
- Developed and deployed 2008 Annual Ethics Training for 5000 users
- Supporting the Homeland Security Presidential Directive 12 Personnel Identification Verification (HSPD-12 PIV) launching 6 training modules for ~1200 users
- Project Management Career Development Program uses the Teaming Center function, to provide a blended-learning environment for DOE Employees.
- Developed and deployed 2008 COOP Training for all Federal employees.

Background

Training Delivery Services

The Professional Skills, Technical Training Program is responsible for the design, development, and delivery of competency-based courses to meet critical DOE skill development needs. In addition to our course offerings, the Professional Skills, Technical Training Program provides a variety of ancillary support services to DOE organizations. These services include training needs assessments, competency development, training and development business plans, and evaluation activities.

The Program currently lists over 101 courses in five basic curricula: Acquisition Management;

Program Management; Project Management; Technical; and Interdisciplinary Skills. They are presented from a complex-wide perspective to support standardized implementation of policies and procedures in meeting DOE's performance objectives. However, specific course material can be adapted or tailored to meet individual site's, program's, or project objectives for each organization. To obtain a copy of the most current Professional Skills and Technical Training Program course schedule, please go to the Enterprise Training Services web-page at http://ets.energy.gov**.** Additional course information and available ancillary services can be obtained at ETSSupport@hq.doe.gov, or (202) 586-9366.

Online Learning Center **–** This business line segment has been funded outside the WCF for the past several years.

Online Learning Center^2

The vision of the DOE Energy Online Learning Center^2 (OLC^2) is to provide the entire DOE Community with needs based, technology enriched, learning development and knowledge management opportunities through implementation of efficient and effective blended e-learning strategies and solutions. The Energy OLC^2 has been structured to meet DOE needs with both a customized access process and DOE specific content and information. For the past several years the OLC has been financed outside the WCF. For more information please access the webpage at: http://humancapital.doe.gov/training.htm.

Defining Success

Training Delivery Services

The Professional Skills and Technical Training Program seeks to improve DOE's professional performance through development and delivery of the most cost-effective, quality-driven training program. The nature of the contract support training curricula, topics, and courses are where the Department seeks to ensure consistency of certification, content, and cost.

We use the following FY **2008** metrics to measure our performance:

TDS	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Number of participants	617	393	1,638	1,820	2,017
Number of course completed	50	29	122	91	123

OLC	FY 2006	FY 2007	FY 2008
Number of active users	7,400	11,948	23,411
Number of course completions	14,266	17,262	37,756

Corporate Training Services Business Balanced Scorecard Objectives

	Customer	
	Provide high quality, standardized, cost-effective learning opportunities on a much timelier basis.	
Financial		***Internal Processes***
Provide a low cost training alternative to program offices.		Review options for delivering training to the DOE.
	Learning and Growth	
	Ensure that learning and growth occurs continuously.	

Financial Overview

Corporate Training Services earned $268,314 net profit due to increased registrations to course offerings and board investment in course development ($150 k). Programs will no longer be charged the $30/class investment surcharge beginning FY 2009.

Business Trends

The business would like to discuss extending the WCF Corporate Training Services Business Line, Training Delivery Services to the Department of Energy (DOE) field sites. This recommendation supports a more efficient business structure for billing and the charging of organizations outside of Headquarters. Field sites are an important customer to the Corporate Training Services, Training Delivery Service (TDS). In the near future the TDS would like to discuss the feasibility of this request with the Working Capital Fund (WCF) Office to include the appropriate staff from the DOE Accounting Office.

Business Line Managers

Corlis Lawrence and Cheri Dent 202.586.1709 & x6-9556.

Project Management Career Development Program

FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
$ 1.0	$ 1.0	$ 0.0	-$ 0.1

FY 2008 Achievements

- Completed 54 certification actions of Federal Project Directors and others preparing for project management careers. Including reported attrition, a total of 265 persons certified were on board as of September 30, 2008.
- Conducted approximately 89 PMCDP course sessions attended by approximately 1541 participants.
- Met requirements and obtained Federal Acquisition Certification for Program and Project Managers (FAC P/PM) as established by the Office of Federal Procurement Policy (OFPP)
- Executed design enhancements of PMCDP the Employee Self Service (ESS) system, improved the Employee Self Service (ESS) Tutorial used by participants to manage their participation in the PMCDP, and conducted WEBEX training of ESS PMCDP module for participants and program offices.
- Completed needs assessment data call of program customers across the DOE/NNSA complex and used the data to forecast project management FY 2009 training delivery and course locations.
- Established an auditing program for courses and identified Subject Matter Experts (SMEs) to assist with course updates
- Expanded and improved communication with PMCDP customers by publishing monthly newsletters, conducting customized meetings, and updating the PMCDP Website
-

Background

In 1998, DOE defined its acquisition workforce to include contract specialists/contracting officers, purchasing agents, financial assistance specialists, property managers, and project directors under DOE's umbrella directive DOE O 361.1, Acquisition Career Development Program, dated 11-10-99, establishing training and certification requirements for the acquisition workforce. On January 17, 2001, the Deputy Secretary of Energy directed the DOE Office of Engineering and Construction Management (OECM) to establish the DOE PMCDP. This program has defined necessary DOE project management knowledge, skills, and abilities; DOE project management training requirements; a DOE career development tracking system; and a DOE project management certification program. The Deputy Secretary directed OECM to develop a PMCDP module to be included in DOE O 361.1, as a component of the DOE acquisition workforce program. The PMCDP Module establishes a well-defined career path for project directors that include certification, minimum training and continuing education requirements, and project responsibilities that are commensurate with clearly defined qualifications.

The Project Management Career Development Program (PMCDP) encompasses a wide range of developmental, mentoring, training, and rotational activities, which, lead to certification, based upon competencies commensurate with a specific performance level that is tied to the Total Project Cost (TPC), managed. This program is also designed to satisfy some requirements of other programs, such as Information Technology Project Management and Acquisition Career Management Program certifications, which are based on different thresholds and regulatory requirements.

The PMCDP currently offers 28 training courses, six developmental activities, and experiential components of varying complexity based on certification level. Additionally, PMCDP offers other functions such as:

- courseware research and development,
- courseware prototype and delivery,
- curriculum management,
- project management research and development,
- certification management,
- evaluation,
- market research and marketing,
- capabilities such as DOE standards and guidelines, technical papers, presentations, workshops, seminars, videos, and web-based applications,
- continuing education.

The PMCDP Business Line also supports two additional specialized courses in the areas of:

- Real Property Asset Management, and
- Program Management Fundamentals.

These two courses are not a part of a certification program; however, they can be applied toward continuation education for project management certification.

The continuing partnership between DOE PMCDP and Boston University is allowing DOE employees who have completed certain courses in the PMCDP curriculum to receive credit towards an online Masters of Science in Project Management or an online four-course Graduate Certificate in Project Management.

For more information on the PMCDP, visit the Office of Management home page at http:/management.energy.gov/project_management.htm.

Defining Success

The Department recognizes the criticality of successful projects. Consequently, successful management of projects and the development of project directors has become a focal point of improvement efforts and is a key goal of PMCDP and the associated Business Line. To ensure that the PMCDP Business Line provides outstanding services to its customers, process controls have been implemented that emphasize management and intra-office involvement on key business/customer outcomes and processes. The design of PMCDP builds on research from benchmarking project management practice and standards in industry and other federal agencies, as well as, incorporating key findings from studies conducted by stakeholder groups and organizations as they impact agency related project management.

In April 2007 OMB's Office of Federal Procurement Policy (OFPP) established the "*Federal Acquisition Certification for Program and Project Managers*" (FAC-P/PM). The policy established general training and experience requirements for P/PM's, provided a structured approach to developing P/PMs, and was made mandatory for Federal agencies by the end of FY08.

The Federal Acquisition Institute (FAI) tasked to administer and manage program, developed certification requirements with common essential competencies and worked all agency compliance reviews and approvals for FAC-P/PM certification.

PMCDP was approved by FAI on August 28, 2008 after meeting all requirements. PMCDP cross-walked our core competencies with FAI, demonstrating how our FPD's successfully complete a comprehensive training program by requiring FPD's to demonstrate the necessary knowledge, skills, experience, and abilities.

Meeting the OMB requirements and obtaining the FAC-P/PM will allow DOE and PMCDP to improve partnerships with other agencies that have earned project management approval and gain acceptance by all civilian agencies of PMCDP certified employees for having met core training and experience requirements.

Financial Overview

The **PMCDP** business line broke even for FY 2008.

Business Line Manager

Marylee H. Baker (202) 586-8254

WORKING CAPITAL FUND
U.S. DEPARTMENT OF ENERGY

STARS Business Line

FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
$5.0	$4.5	$ 0.6	$ 0.9

FY 2008 Achievements

- Collaborated with Energy Efficiency and Renewable Energy (EERE), the Energy Information Administration (EIA), the Office of Electricity Delivery and Energy Reliability (OE), and the Office of Human Capital Management (HC) to create allocations at a lower level than the Approved Funding Plan (AFP). This capability is providing a benefit in reporting and tracking program activity, and will reduce dependencies on separate internal financial systems.
- As an integral component to the Strategic Integrated Procurement Enterprise System (STRIPES) deployment, reconciliation reports were developed and implemented to validate the obligation information between STRIPES and STARS. The reports were used before the STRIPES deployment at Headquarters to verify the reconstruction of open award documents. Reconciliations will be used in a similar manner for field deployments and are also used on a daily basis to detect and correct differences.
- Implemented a new process to post the most commonly executed financial statements and analysis reports for each allotment holder on the STARS Access website to improve operational timeliness and efficiency.
- Participated in the Inspector General/KPMG 2008 of STARS Information Technology (IT) and operational processes and procedures, which resulted in no FY 2008 STARS IT audit findings.
- Provided several new reports to facilitate vendor cleanup activities being lead by the Oak Ridge Field Office. Although the Department continues to meet Departmental prompt payment goals, these cleanup activities have improved data integrity and business processes.
- Enhancements were implemented to provide additional security related to the storage and use of Personal Identifiable Information (PII).
- A new process was implemented to assist the Energy Finance and Accounting Service Center (EFASC) in the processing of Intra-Governmental Payment and Collection (IPAC) entries by importing data and automatically creating the required receipt and invoice transactions.
- Maintained a secured environment by implementing Oracle Security Patches. These security patches are released quarterly, tested, and routinely implemented.
- Continued collaborative efforts with the iManage Data Warehouse (IDW) to ensure reporting integrity and explore alternatives to improve timeliness of reporting to end users.

- With the migration of Oak Ridge legacy DISCAS/MARS into the IDW to support historical reporting, all legacy DISCAS/MARS data now resides on the IDW.
- Implemented more frequent updates of STARS information to the IDW to enable users more timely financial information for decision making.
- Acquired new software to innovate reporting, dashboarding and integration with Microsoft Office; while also reducing existing software licensing costs.
- Supported the CFOs Budget Execution reviews with the development and implementation of a DOE Dashboard.
- Provided IDW reporting support for the Procurement community with the deployment of the Strategic Integrated Procurement Enterprise System (STRIPES) by creating data marts for requisitions and awards.
- Continued IDW on-site training sessions with Program/Field Offices to provide ongoing assistance expanding IDW utilization rate.
- Conducted quarterly Program/Field Office Working Group meetings to ensure customer satisfaction and open communications with IDWs stakeholders. Additionally, IDW has assigned a direct point of contact on the IDW team for each program office and field site. This direct communication path has proven to be invaluable in creating good will with the customers.

FY 2008-2012 Five-year Plan Measures:

- **Maintain a customer support satisfaction rating of at least 60%.** Based on the survey conducted in FY 2008, STARS received a 62% Satisfied rating with 21% Neutral, and 17% Dissatisfied. The IDW received a 51% Satisfied, 26% Neutral, and 23% Dissatisfied.
- **Perform 30% of all new procurement awards via electronic methods.** This is tied directly to STRIPES, which is not yet fully deployed. However, all HQ procurement awards that were processed in STRIPES in FY 2008 were electronically interfaced to STARS. Bottom line is the integration with STRIPES and STARS is working as planned/designed.
- **Maintain a green rating on 7 or more categories out of 10 as recorded on the OMB Measurement Tracking System.** DOE was Green for all 10 (for the first time) in FY 2008.
- **Maintain 100% preparation for emergencies.** Completed the annual disaster recovery testing. Testing scenarios are expanded each year. The Oak Ridge field office and an initial interface test were included in this round of testing.
- **Maintain 100% security accreditation**. STARS completed the Security Certification and Accreditation (C&A) process required for recertification, and obtained full authority to operate from the Designated Approving Authority (DAA).
- **Maintain an iManage system uptime in excess of 95% of schedule.** STARS uptime for FY 2008 was 99.7%. Scheduled outages do not count towards up-time - the .3% outage was unplanned downtime.

Background

The Standard Accounting and Reporting System (STARS) provides the Department with a modern, comprehensive, and responsive financial management system that records and processes accounting transactions for general accounting, payments, receivables, purchasing including obligations and reservations, accruals, plant and capital equipment, nuclear materials accounting and many other functions. STARS is used for external financial reporting including FACTS I & II, SF 220.9 and SF 224. In addition to STARS, the iManage Data Warehouse (IDW) provides user access to financial and corporate business data and reporting.

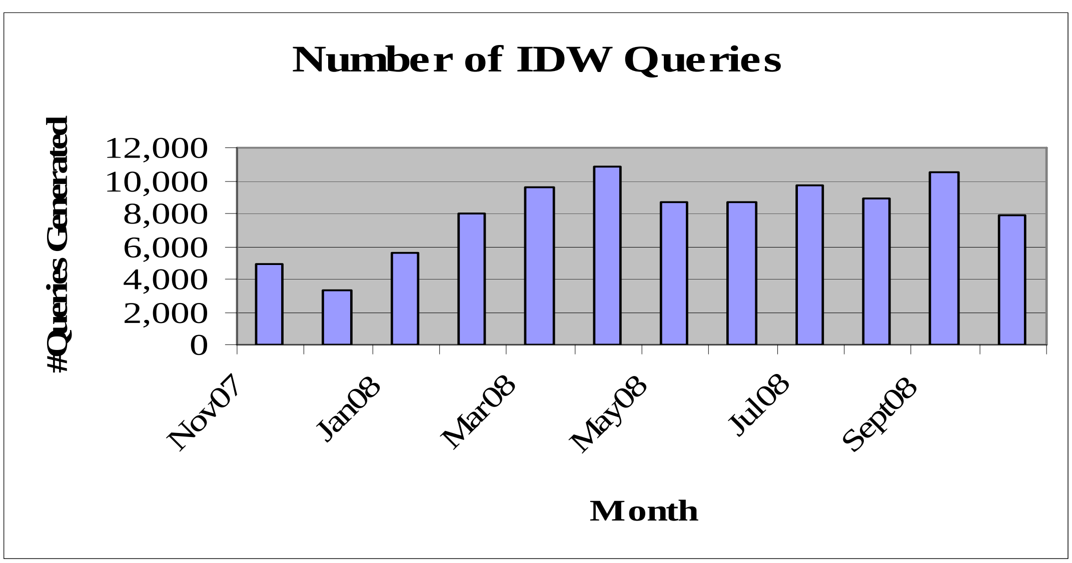
Defining Success

The primary goal of the STARS and IDW is to provide timely and accurate financial data and reports for Departmental financial management is decision-making. The STARS also supports the day-to-day accounting operations for the Department. The IDW provides capabilities to integrate financial, budgetary, procurement, personnel, program, and performance information for management reporting and decision-making.

Success is currently being measured using:

- HelpDesk information/statistics
- User Feedback from the Program Office and Field Office Working Groups
- Customer surveys
- Audit Opinion on Financial Statements/Audit Findings
- Quantifiable metrics related to accounting operations such as payment and travel processing, month-end/year-end closing, internal/external reporting due dates
- System performance/availability/usage statistics

STARS and the IDW are continuing to implement enhancements to improve efficiency and to develop strategies and metrics to improve/ensure customer satisfaction.



Financial Overview

The STARS business line earned $589,595 net profit, due to delays by the CIO in accruing for costs related to software purchases completed last year. The actual profit should have been approximately $ 50 k.

Business Line Manager

Warren L. Huffer 301.903.3761

Financial Reporting Assessment Business Line

FY 2008 Annual Report

Financial Summary

FY 2008 Earnings *(millions)*	FY 2008 Expenses *(millions)*	Net Earnings FY 2008 *(millions)*	Net Earnings FY 1997-2008 *(millions)*
$ 4.0	$ 2.7	$ 1.3	$ 2.2

FY 2008 Achievements

- Provided our most important customer, the Secretary, with the basis to make an unqualified assurance on the Department's internal control over financial report in the Agency Financial Report
- Ensured that our Federal customers completed their baseline assessment of all high, medium and low risk activities by FY 2008, per the Department's commitment to the Office of Management and Budget (OMB)
- Provided direct implementation support for affected Headquarters customers
- Provided indirect implementation support to all customers through the A-123 Help Desk
- Reinvigorated the corporate A-123 Quality Assurance process and provided customers with the capability to perform quality assurance on their own assessment data
- Provided customers with additional reference materials
- Started laying the foundation a more holistic approach to ensuring the effectiveness of the Department's internal controls – Financial Management Assurance

Background

The mission of the Financial Reporting Control Assessment Business Line (Business Line) is to enable the Secretary of Energy to provide an annual assurance on the Department's internal controls over financial reporting. This annual reporting requirement is driven by recent changes to OMB Circular A-123; specifically, the addition of Appendix A, *Internal Control over Financial Reporting*.

The short-term vision of the Business Line is to provide the foundation for the Secretary's annual assurance on the effectiveness of the Department's internal control over financial reporting. The Business Line does this by supporting Department-wide implementation of A-123 requirements, specifically by developing corporate:

- Guidance, such as A-123 "Quick Start Guides" and related templates
- Tools, such as the A-123 Assessment and Reporting Tool (AART) and the AART Reporting Suite
- Support, such as the A-123 Help Desk and A-123 training

Additional information is available at http://www.cfo.doe.gov/progliaison/doeA123/index.htm.

Defining Success

The performance of the Business Line, as well as the progress against achieving the near-term vision, will be monitored through the BSC.

- **Customers:** To support customer efforts to assurance the integrity of their financial reporting activities.

- **Financials:** To support Departmental efforts to assure the overall integrity of its financial management activities.

- **Internal Business Processes:** To improve the management and implementation of the Department's A-123 Program.

- **Learning and Growth:** To improve the knowledge of Business Line staff to better anticipate and support customer needs.

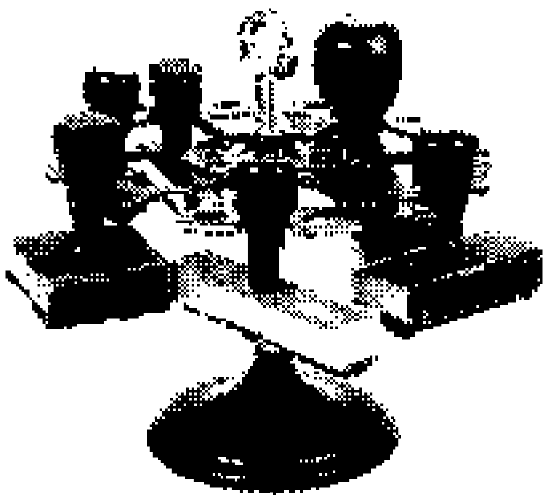
Financial Overview

Financial Reporting Control Assessment (A-123) business line experienced net earnings of $1,256,746 due to deferred spending pending a review of the program. Program requirements are declining and the FY 2010 Budget Request already shows a decline of $1 million.

Business Line Manager

Brian Boos 301.903.3858

Appendices



DEPARTMENT OF ENERGY
WORKING CAPITAL FUND
FY 1997 - FY 2008

	Cumulative	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997
Revenues ($million)													
Supply	$ 13.1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2.0	$ 2.8	$ 3.0	$ 2.8	$ 2.6
PAPERCLIPS	$ 22.2	3.1	3.1	3	3.0	2.8	2.4	3.3	1.5	0.0	0.0	0.0	0.0
Mail	24.7	2.4	2.0	2.1	2.0	2.4	2.6	2.0	0.7	1.6	2.7	1.9	2.2
Copy	28.9	2.5	2.3	2.6	2.4	2.2	2.4	2.0	1.8	2.7	3.1	2.7	2.2
Print	38.6	2.2	2.5	2.7	3.9	3.1	2.8	3.2	3.1	3.5	4.4	3.3	3.9
Bldg	736.5	74.4	69.5	64.7	66.3	62.9	58.9	56.7	56.4	57.4	57.4	55.5	56.4
Phone	89.6	9.4	8.1	8.8	8.4	8.2	6.5	6.8	6.8	7.0	6.3	6.6	6.8
Desk	13.0	0.0	0.0	0.9	0.9	0.9	1.1	1.2	1.2	1.4	1.6	1.5	2.3
Netwk	61.2	5.8	6.5	5.9	6.0	5.9	6.2	6.2	6.2	3.2	3.1	3.1	3.1
Audit	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.1
Proc Services	8.8	0.8	0.7	1.0	1.1	1.0	0.8	0.7	0.7	0.5	0.6	0.4	0.4
Payroll	24.9	2.5	2.1	2.2	2.1	2.1	1.4	3.1	3.1	2.2	2.1	1.9	0.0
CHRIS	15.4	2.2	2.2	2.2	2.2	2.2	2.2	2.2	0.0	0.0	0.0	0.0	0.0
Corp Training	2.7	0.4	0.3	0.2	0.7	0.5	0.3	0.3	0.0	0.0	0.0	0.0	0.0
PMCDP	7.0	1.0	1.0	1.1	1.4	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EIS	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0
STARS	12.5	5.0	4.0	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A123	6.9	4.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	$ 1,115.2	$ 115.7	$ 107.2	$ 100.9	$ 100.3	$ 96.7	$ 87.6	$ 87.7	$ 83.5	$ 82.5	$ 84.3	$ 79.8	$ 89.0
Costs ($million)													
Supply	$ 14.1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2.4	$ 3.2	$ 2.4	$ 2.8	$ 3.4
PAPERCLIPS	22.7	3.4	3.2	2.9	3.2	2.8	2.4	3.3	1.5	0.0	0.0	0.0	0.0
Mail	24.3	2.5	1.8	2.1	2.0	2.2	2.1	2.4	0.8	2.0	2.7	1.8	1.9
Copy	27.4	1.8	2.4	1.7	2.2	2.4	2.6	3.1	1.4	2.6	2.8	2.3	2.1
Print	38.7	2.4	3.9	3.0	2.8	2.9	2.8	3.2	2.6	3.5	4.4	2.8	4.4
Bldg	728.2	73.1	71.0	65.1	64.5	64.2	59.0	55.1	51.7	57.6	56.0	54.0	56.8
Phone	101.6	15.2	5.9	9.7	8.1	7.6	6.2	14.3	6.6	7.0	7.2	7.1	6.6
Desk	13.5	0.0	0.0	0.8	1.0	1.0	1.1	1.2	1.3	1.5	2.6	0.6	2.4
Netwk	55.5	6.7	6.0	1.8	5.3	5.6	5.6	6.1	7.0	3.2	2.5	2.9	2.7
Audit	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.1
Proc Services	8.2	1.0	1.0	0.8	0.9	0.8	0.6	0.7	0.6	0.5	0.6	0.3	0.4
Payroll	22.1	1.7	2.0	1.8	1.8	2.2	2.1	1.6	2.1	2.5	2.9	1.4	0.0
CHRIS	13.4	2.1	1.4	2.5	1.2	1.9	2.4	1.9	0.0	0.0	0.0	0.0	0.0
Corp Training	2.4	0.2	0.3	0.2	0.7	0.5	0.2	0.3	0.0	0.0	0.0	0.0	0.0
PMCDP	7.1	1.0	2.1	0.7	2.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EIS	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0
STARS	11.6	4.5	5.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A123	4.7	2.7	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	$ 1,104.7	$ 118.3	$ 108.0	$ 95.2	$ 95.7	$ 95.4	$ 87.1	$ 93.2	$ 78.0	$ 83.8	$ 84.2	$ 76.1	$ 89.7
Net Earnings ($million)													
Supply	$ (1.0)			$ -	$ -	$ -	$ -	$ -	$ (0.4)	$ (0.4)	$ 0.6	$ (0.0)	$ (0.8)
PAPERCLIPS	-0.5	-0.3	-0.1	0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mail	0.4	-0.1	0.2	0.0	0.0	0.2	0.5	-0.4	-0.1	-0.4	0.1	0.0	0.4
Copy	1.4	0.6	-0.1	0.9	0.2	-0.2	-0.2	-1.1	0.4	0.1	0.3	0.4	0.1
Print	-0.1	-0.2	-1.4	-0.3	1.1	0.1	-0.1	0.0	0.5	0.0	0.0	0.5	-0.5
Bldg	8.3	1.4	-1.6	-0.4	1.8	-1.4	-0.1	1.6	4.8	-0.2	1.3	1.5	-0.4
Phone	-12.0	-5.8	2.2	-0.9	0.3	0.6	0.3	-7.5	0.2	0.0	-0.9	-0.6	0.2
Desk	-0.4	0.0	0.0	0.1	-0.1	-0.1	0.0	0.0	-0.1	0.0	-1.0	0.9	-0.1
Netwk	5.7	-0.9	0.5	4.1	0.7	0.3	0.7	0.1	-0.8	0.0	0.5	0.2	0.4
Audit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proc Services	0.5	-0.2	-0.3	0.2	0.2	0.2	0.2	0.0	0.1	0.0	0.0	0.2	0.0
Payroll	2.8	0.7	0.1	0.4	0.3	-0.1	-0.7	1.5	1.1	-0.3	-0.8	0.5	0.0
CHRIS	2.0	0.1	0.7	-0.3	1.0	0.3	-0.2	0.3	0.0	0.0	0.0	0.0	0.0
Corp Training	0.3	0.3	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
PMCDP	-0.1	0.0	-1.1	0.4	-0.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EIS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STARS	0.9	0.6	-0.9	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A123	2.2	1.3	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	$ 10.4	$ (2.5)	$ (0.9)	$ 5.7	$ 4.6	$ 1.3	$ 0.6	$ (5.5)	$ 5.7	$ (1.3)	$ 0.1	$ 3.6	$ (0.7)

Department of Energy
Working Capital Fund
Balance Sheet
Comparative Statements
(in thousands)

Assets	FY08	FY07	FY06	FY05	FY04	FY03	FY02	FY01	FY00	FY99	FY97
Fund Balance with Treasury	$ 82,465	$ 76,820	$ 66,279	$ 66,103	$54,774	$50,179	$48,197	$37,455	$30,168	$26,551	$22,086
Accounts Receivable, Net	-	179	173	-	2	0	11	561		-	1,321
Advances and Prepayments	323	325	88	203	222	200	134	156	455	601	
Supplies Inventory	119	271	39	124	274	217	179	169	759	1,099	1,207
Property and Equipment, Net	-	624	79	154	694	1,066	1,680	11,603	12,534	12,489	12,135
Total Assets	82,907	78,218	66,658	66,584	55,966	51,662	50,201	49,944	43,916	40,740	36,749
Liabilities											
Accounts Payable	19,008	19,255	12,521	19,649	14,202	13,246	15,194	15,355	13,523	12,247	17,532
Unearned Advances from Customers	31,763	23,943	18,612	17,245	16,195	15,223	12,324	6,261	7,450	4,118	2,701
Contract Holdbacks	5	5	129	129	127	133	195	156	61	126	52
Total Liabilities	50,776	43,203	31,262	37,023	30,524	28,602	27,713	21,772	21,034	16,491	20,285
Net Position											
Total Invested Capital	34,943	35,466	29,563	25,432	19,613	18,545	18,545	18,545	18,545	18,545	17,350
Total Cum Results of Operations	(2,812)	(452)	5,832	4,129	5,829	4,515	3,943	9,627	4,337	5,704	-886
Total Net Position	32,131	35,014	35,395	29,561	25,442	23,060	22,488	28,172	22,882	24,249	16,464
Total Liabilities and Net Position	$82,907	$78,218	$66,657	$66,584	$55,966	$51,662	$50,201	$49,944	$43,916	$40,740	$36,749

UNAUDITED

U. S. Department of Energy
Balance Sheet
Detailed Statement

89X4563 Intragovernmental Funds: Working Capital Fund

	As of September 30, 2008		*As of September 30, 2007*	
ASSETS:				
Fund Balance with Treasury (SGL 1010) (cash available to spend)		$82,464,553.84		$76,819,893.07
Accounts Receivable, Net (SGL 1310R) (amounts due from non-Fed. sources)		608.75		(8,354.42)
Accounts Receivable, Net (SGL 1310E) (refunds due from non-Fed. sources)		(9.76)		187,079.87
Advances and Prepayments (SGL 141002) (postage payments made in advance)		322,831.00		324,521.00
Supplies Inventory (SGL 151132) (amount in supplies inventory)		118,547.00		270,741.00
Property and Equipment, Net				
Original Purchase Price of Property and Equipment				
Purchase Price of Communications Systems (SGL 1740)	19,856,579.03		19,856,579.03	
Purchase Price of Heavy Mobile Equipment (SGL 1750)	84,414.37		84,414.37	
Purchase Price of Motor Vehicles (SGL 1750)	61,223.14		61,223.14	
Purchase Price of Office Furniture & Equipment (SGL 1750)	110,165.00		110,165.00	
Purchase Price of Shop Equipment (SGL 1750)	34,441.02		34,441.02	
Purchase Price of Automatic Data Processing Equipment (SGL 1750)	862,089.65		862,089.65	
STARS Automated Entries with Non-Attributable P&E (SGL 1750)	0.00		678,655.46	
Total Purchase Price	21,008,912.21		21,687,567.67	
LESS: Accumulated Depreciation of Property and Equipment				
Accum. Dep. of Communication Systems (SGL 1749)	19,856,579.03		19,856,579.03	
Accum. Dep. of Heavy Mobile Equipment (SGL 1759)	84,414.37		84,414.37	
Accum. Dep. of Motor Vehicles (SGL 1759)	61,223.14		61,223.14	
Accum. Dep. of Office Furniture & Equipment (SGL 1759)	103,356.37		103,356.37	
Accum. Dep. of Shop Equipment (SGL 1759)	34,441.02		34,441.02	
Accum. Dep. of Automatic Data Processing Equipment (SGL 1759)	719,877.48		719,877.48	
STARS Automated Entries with Non-Attributable P&E (SGL 1759)	148,979.43		203,837.29	
Total Accumulated Depreciation	21,008,870.84		21,063,728.70	
		41.37		623,838.97
TOTAL ASSETS		82,906,572.20		78,217,719.49
LIABILITIES				
Accounts Payable (SGL 211009)) (amounts owed to non-Federal sources)		2,219,801.68		1,419,109.63
Accounts Payable (SGL 211001) (amounts owed to Federal sources)		0.00		0.00
Accounts Payable (SGL 211005) (inter-field office)		0.00		0.00
Accounts Payable (SGL 212009) (Disbursements in Transit, All Other)		0.00		0.00
Other Liabilities (SGL 2190)		16,788,520.11		17,836,640.70
Advances from Others - Other DOE Ofifces (SGL 231006)		31,763,043.02		23,942,994.97
Advances from Others - Suspense (SGL 231093)		0.00		0.00
Contract Holdbacks (SGL 2130) (amounts held back from contractors pending completion)		4,712.91		4,712.91
Unearned Advances from Customers (SGL 2320) (payments received in advance of completion of serv		0.00		0.00
TOTAL LIABILITIES		$50,776,077.72		$43,203,458.21
NET POSITION				
Invested Capital (SGL 3100, 310709, 3310) (initial PPE and uncosted balances tr	34,943,135.31		35,465,928.10	
Total Invested Capital		34,943,135.31		35,465,928.10
Cumulative Results of Operations (difference between rev. and exp. over time)	(2,812,640.83)		(451,666.82)	
Total Cumulative Results of Operations		(2,812,640.83)		(451,666.82)
TOTAL NET POSITION		$32,130,494.48		$35,014,261.28
TOTAL LIABILITIES AND NET POSITION		$82,906,572.20		$78,217,719.49